

100

1997

ANNUAL REPORT BERLIN, NH



1887 - 1997

"100 YEARS AS A CITY"

LOCAL GOVERNMENT OFFICES

City offices include:

ASSESSOR'S	752-5245	<i>Susan Warren, Assessor Supervisor</i>
CITY CLERK	752-2340	<i>Debra Patrick, City Clerk</i>
CITY MANAGER	752-7532	<i>Mitchell A. Berkowitz, City Manager</i>
PLANNING	752-1630	<i>June Hammond Rowan, City Planner</i>
ENGINEERING	752-8551	<i>James Wheeler, City Engineer</i>
FINANCE/COLLECTIONS	752-1610	<i>Aline Boucher, Comptroller</i>
COMMUNITY SERVICES DIVISION		<i>Laura Lee Viger, Community Services Director</i>
• HEALTH	752-1272	
• RECREATION	752-2010	
• WELFARE	752-2120	<i>Annette Langevin, Welfare Director</i>
• LIBRARY	752-5210	<i>Yvonne Thomas, Head Librarian</i>
PUBLIC WORKS	752-4450	<i>Maurice Wheeler, Public Works Director</i>
• GARAGE	752-1460	
FIRE DEPARTMENT	752-3135	<i>Paul Fortier, Fire Chief</i>
• INSPECTION DIVISION	752-3135	<i>Maurice Lavertue, Building Inspector</i>
POLLUTION CONTROL	752-8563	<i>Michael Therriault, Supervisor</i>
POLICE DEPT	752-3131	<i>Alan Tardif, Police Chief</i>
SCHOOL DEPT	752-6500	<i>Bruce MacKay, Superintendent</i>
WATER WORKS	752-1677	<i>Albin Johnson, Superintendent</i>
BERLIN AIRPORT	449-2168	<i>Eric Kaminsky, Airport Manager</i>

100 YEARS AS A CITY

FISCAL YEAR JULY 1, 1996 TO JUNE 30, 1997



MAYOR AND CITY COUNCIL

RICHARD P. BOSA, **MAYOR**

Ward I

TIMOTHY P. DONOVAN SR.
HENRY W. COULOMBE

Ward II

MERLE S. COLE SR.
JEFFREY W. YOUNG

Ward III

DAVID D. MORIN
JAMES P. WISWELL

Ward IV

PAUL R. GRENIER
DAVID R. POULIN

MITCHELL A. BERKOWITZ, **CITY MANAGER**

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REPORT PREPARED BY:

SUSAN TREMBLAY

Executive Secretary to the
City Manager

PHOTO CREDITS:

Mayor & Council - Mt. Forist Studio
Centennial Photos - Morning Lane Photography

SPECIAL THANKS TO THE STUDENTS OF THE BERLIN MIDDLE SCHOOL WHO
CONTRIBUTED ART WORK AND POETRY REFLECTING BERLIN'S CENTENNIAL CELEBRATION.

REPORT PRINTED BY: BERLIN HIGH SCHOOL GRAPHIC ARTS, SENIOR AND JUNIOR CLASSES.



BERLIN'S CENTENNIAL CELEBRATION

We who live here realize that, from the beginning or the dawn of time, God made the mountains the most difficult place to live, especially in the cold north. There is a purpose to His plan. Our City of Berlin was secluded in our White Mountain Valley from the rest of the State and our citizens had to rely on each other and their families for support. Hard physical work was required to endure and prosper in this rocky terrain and only the strong and the hearty survived. Out of this tough physical life arose a high level of valor, community unity and pride. We who live here know the meaning of being mountaineers.

Our City Centennial Celebration is a time of gratification, reflection and planning. This is a time to acknowledge past deeds, contemplate our progress and plan for Berlin's future. We will remember yesterday but the important work we face as a City is developing strategies for tomorrow such as what kind of Berlin do we wish to be? This is the perfect time to refinish ourselves, sanding away the negative rust developed in idleness, refilling the holes that developed from neglect and painting a new finish to our once beautiful City.

When we reflect on the past...we remember our busy Main Street and Friday night shopping that was much more than economic needs purchased; it was a time of social bonding and an exchange of information. Clubs and social organizations were plentiful, beneficial and actively enhanced our total community. We expected only basic services from local or State government.

We developed responsible and involved citizens as the government, churches and civic organizations had numerous volunteers who imitated the examples of their fathers and mothers before them. The real work in the community was accomplished through volunteers such as we students who decorated our own gym for the proms, and raised our own money for sports. We, as community members, were always busy working, planning and taking pride in our City, schools and organizations.

Our City was safe; we didn't need to lock cars, homes and especially churches. We knew that we were not alone, that we were each essential and important members of a bigger community. Berlin was Hockey Town, U.S.A., with Berlin Maroons' Saturday night and Sunday games. We didn't always win but we never backed down from the fight. We earned respect.

We, as the City Fathers, in the months ahead, will be looking at our City government and its charter to see if it reflects our secluded location, unique history and abundant resources. Does our community government give its citizens the greatest amount of liberty, freedom and justice? If not, why? Do our collective rights conflict with our common concerns? Is this all balanced with responsibility and accountability of both public officials and citizens giving our City the resources we believe are necessary for individual and community growth and progress? It is our intent to balance the needs of today with those results that will favorably affect future generations.

We must somehow recapture the Ol' Spirit of Berlin as a unified community because we are all brothers of the earth. We must develop that common thread that ties each of us together because we need each other to be healthy and energetic. We need Heritage Park to stimulate tourism. We need a healthy Main Street. We are not each alone or secluded. We have each other and that's who we must depend upon today. If we are to move forward, it must be on a common, unified front; we need each other to build a stronger community. We can be all we want to be and do all we want to do with will, effort and community cooperation. Let this celebration mark the beginning of the new and improved City of Berlin

Excerpt from Centennial speech given by:
HONORABLE RICHARD P. BOSA
Mayor

CITY MANAGER'S Annual Report



On this, the Anniversary of the City's first 100 years, we must take time to reflect on a year that will have continued impacts on the City's future.

The City celebrated its Centennial in a proud but modest style. Community agencies, clubs, groups and organizations braved the cold February weather to host various competitions and activities. What was billed as one of Berlin's largest parades drew over 4,000 people to our downtown. The great bonfire and fireworks toasted the evening's event. Activities did continue throughout the year, though the level of participation diminished as the year progressed.

The City also came to a judicial crossroad during the year. Having prevailed in the tax case with Crown Vantage, the City was compelled to defend the victory before the State Supreme Court on appeal by the Company. At issue was the taxability of fixtures at the industrial site as well as the method of appraisal. The protracted case is expected to be resolved in the next year but its impacts have been great. Thus far, for the first time in the history of the City, Berlin chose to withhold a portion of the County tax. Secondly, the cash flow of the City became almost a daily analysis and through the prudent management by all department heads, the City avoided the temporary borrowing of funds, this year. The stage has been set for several possible actions in the next few years.

Our historic past, rich heritage and natural resources are fast becoming the pivotal points for our future. Heritage based tourism is the focus of a major City/Region wide effort to diversify the economy. Efforts

include the Northern Forest Heritage Park and a collaboration of public and private sector people and resources. This is truly a celebration for the next century.

Our City remains challenged as we rebuild our water systems, roads and bridges. Our employees continue to provide municipal services that are often under valued yet compare very favorably with other municipalities in New England. We have learned that most of the solutions must come from within and that State and Federal governments cannot be counted on since laws and regulations drift downward much quicker than the funds we need to comply.

The Centennial year has caused us to reflect on our future. It appears that the City leadership will engage a process called visioning: a look to our future and what we want the City to be. The success of a shared vision will come about over several years. It will be part of the foundation we created in our first 100 years and the quality of life we will insist upon for our future.

Respectfully Submitted by:
MITCHELL A. BERKOWITZ
City Manager



Photo by: Paul Charest, Morning Lane Photography Mark Aldrich of Senator Bob Smith's Office presents the City with the Congressional Record acknowledging Berlin's 100th year as a City.

ASSESSING DEPARTMENT



The City of Berlin is celebrating its 100th Birthday. On February 20, 1897 the town of Berlin became established as the city of Berlin. In the 1897 Annual Report, the selectmen state:

"We wish the new city that degree of growth and prosperity that has been given it as a town for the last years past."

Berlin was booming. It was felt that the change to a city was in the best interest of the community. Berlin today is on the decline both in growth and prosperity. However, Berlin has shown that it is willing to meet the many challenges that exist and time has shown that we are capable of meeting them and turning them around.

Richard J. Stapleton, who was City Assessor for 12 years retired on August 1, 1996. He has served as a consultant to the City on assessing issues that have arisen since his retirement. The City and Board of Assessors have benefitted from his knowledge and professionalism. He will be missed by those who worked with him.

We, the Board of Assessors, continue to maintain our open door policy for taxpayers with questions or problems regarding assessments and assessment procedures. In order to address issues involving fair assessment and the revaluation, the Board of Assessors meets regularly. Many of the taxpayers' concerns have been resolved and those that could not be settled were able to avail themselves of an appeal to the Board of Tax and Land Appeals or Superior Court.

Due to a change in the elderly exemption RSA, the Board of Assessors has conducted many interviews of elderly

applicants. It was a long process for the Board, but they welcomed this opportunity to meet with elderly taxpayers. The changes in the law will take effect for the 1997 tax bill.

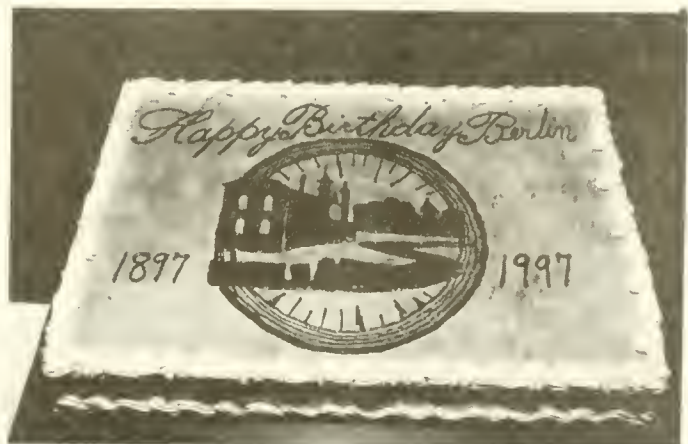
At this time, it is unknown if the 1997 update revaluation will be completed this year. An extension has been requested of the Board of Tax & Land Appeals. No statistical data is available for this year due to the delay.

In an effort to keep the mapping current, Cartographics of Littleton recently completed the update of the tax maps for the City of Berlin. All deeds received from the Registry of Deeds in Lancaster are sent to them and they make corrections as needed based on the data contained in the deeds. Any map with a physical change is then printed and sent to us.

We are committed to quality and excellence in government and will continue to respond to requests for changes that occur due to budgetary constraints, public needs, and new legislation.

Submitted by:

ARTHUR J. BERGERON, JR., CHAIRMAN
JAMES COULOMBE, MEMBER
PETER ALLAIN, MEMBER
BOARD OF ASSESSORS





CITY CLERK'S DEPARTMENT

Fiscal Year 1996-97 was momentous due to Berlin's Centennial Celebration. The City Clerk's Office participated in the Centennial Celebration held in February along with several citizens and organizations who displayed Berlin artifacts at the Junior High Gymnasium. The City Clerk displayed minute books from the first City Council meeting, original photos of Berlin's first mayors, annual reports, and pins that were issued in 1929 at the Centennial Town Incorporation Celebration. The citizens were happy to browse through a part of Berlin's heritage. It gave everyone there a strong sense of community.

Valerie E. Fysh was hired to work part time in the City Clerk's Office on January 2, 1997. Valerie certainly is an asset to the department.

The City Clerk's Office provides a variety of services which assist the public. The City Clerk is the record keeper for the City for various records such as property leases, contracts, agreements and any other official City documents.

Cemetery deeds are purchased through the City Clerk's Office. Cemetery records and maps are kept in the vault. The City Clerk issues all City Cemetery grave digging orders and maintains all cemetery records.

The City Clerk serves as secretary to the Mayor and City Council. Minutes of the meetings are recorded and preserved. Correspondence initiated by the Mayor and Council is handled by the City Clerk.

The City Clerk oversees all City Municipal and State elections, registers election returns and supervises the entire election process. Citizens may register to vote, change party affiliation or register a change of address at the City Clerk's Office during business hours.

Even though several permits and licenses are obtained at the City Clerk's Office, the Collection Department collects and issues fishing and dog licenses and processes Universal Commercial Codes (UCC). Last year that department licensed 582 dogs, filed 288 UCC's and processed 46 UCC terminations.

Vital records are perhaps the most integral function of the City Clerk's Office. Births, deaths and marriages are recorded and certified copies of such are issued. Genealogy research is conducted through the office as well.

Respectfully submitted,

DEBRA PATRICK
City Clerk

Vital Statistics	94/95	95/96	96/97
Marriages	71	62	62
Births	108	122	122
Deaths	164	160	182



TAX COLLECTOR'S REPORT

The Following is the Tax Collector's Report for the period ending June 30, 1997

	1997 Real Estate Taxes	1996 Real Estate Taxes	1996 Tax Liens	1995 Tax Liens	Prior Years' Tax Liens	Sewer User Taxes	1997 Resident Taxes	1996 Resident Taxes
7/1/96 Uncollected Balance	-0-	4,700,503.	-0-	3,819,169.	576,401.	224,754.	-0-	39,530.
Conversion to Lien	-0-	(5,811,136.)	6,287,222. ³	-0-	-0-	(80,484.)	-0-	(430.)
Tax Warrants	7,017,041. ¹	7,744,849.	-0-	-0-	-0-	1,030,497.	59,750.	-0-
Collections/Redemptions	-2,879,851.	(6,509,335.)	(157,989.)	(2,383,159.)	(165,039.)	(977,599.)	(21,630.)	(25,630.)
Refunds/overpayments	-0-	410,242. ²	-0-	1,863.	7,509.	2,583.	120.	190.
Liens-RSA-72:38A	-0-	(9,930.)	-0-	(3,950.)	(11,426.)	(1,400.)	-0-	-0-
Abatements/Deeds/Discounts	-0-	(525,193.) ²	(906.)	(127,155.)	(252,771.)	(2,172.)	-0-	(590.)
Reserve-Uncollectibles	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Uncollected Balance 6/30/97	4,137,190.	-0-	6,128,327.	1,306,768.	154,674.	196,179.	38,240.	13,070.

OTHER TAXES/INTEREST COLLECTED

Special Warrants/RE & Sewer	\$2,984.	Resident Taxes - Penalties	530.
Uncommitted Taxes	3,180.	Sewer Taxes - Interest	15,895.
Interest - Delinquent Taxes	227,084.	Yield Taxes	16,853.
Interest - Tax Liens	245,791.	Boat Taxes	2,509.

¹ Warrant 1/2 Year

² Due to BTLA decisions and settlements

³ Includes 1996 Real Estate Taxes, Resident Taxes, Sewer Taxes, Interest, Costs and Fees

Submitted by:
ALINE BOUCHER
 Comptroller/Tax Collector

FINANCE/COLLECTION



The Finance and Collection Department is responsible for the accounting and record keeping of all financial transactions of the City's General Fund, as well as all other funds. The City's auditors, Vachon, Clukay & Co., PC, Manchester, New Hampshire, audited the City books and the City's detail financial reports for the General Fund, Special Revenue Funds, Capital Projects Funds, Property Fund Types, all Trust and Agency Funds, and General Long-Term Obligations are in their accompanying Audit Report for the year ended June 30, 1997.

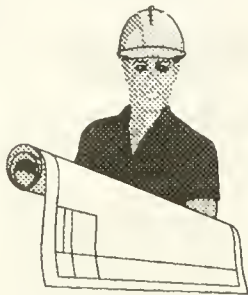
This Department is responsible for the timely filing of all federal and state financial and tax reports, as required by the Federal Government and the State of New Hampshire. The City's financial records are maintained on the IBM36 System. This Department is responsible for the following processes, and where applicable, indicates approximate number of annual transactions or parcels as well as amounts.

PROCESSES	TRANSACTIONS	AMOUNT	OTHER PROCESSES
Accounts Payable	\$6,911.00	\$24,660,793.00	General Ledger Tax Lien Redemptions all Years
Purchase Orders Issued	\$1,732.00		Cash Revenues UCC's
Payroll - 1996	\$14,678.00	\$9,820,396.00	Appropriation Ledger (Budget) Real Estate Collections
General Revenues other than Taxes		\$7,746,315.00	Financial Reporting Resident Tax Collecting
Real Estate Warrants - 1996	\$4,517.00	\$14,612,443.00	Debt Service
Resident Tax Warrants - 1997	\$5,975.00	\$59,750.00	Investment of Funds
Sewer Warrant - 1996	\$3,419.00	\$1,030,497.00	Personnel Files
Special Warrants/RE & Sewer	\$6.00	\$2,132.00	Voter Registration Records
Tax Lien Process - 1996	\$398.00	\$6,287,222.00	Sewer User Collections
Motor Vehicle Registrations	\$10,851.00	\$886,404.00	

In addition to the above, the Finance Department administers Health Insurance for the City Employees, Water Works, Cobra Extension, as well as for 136 retirees, (total covered - 271 members). The Finance Department also administers Life Insurance, Short Term Disability Insurance, NH Retirement System Pension, N. E. Benefits, billings and collections from City Departments, retirees and COBRA extension. This Department also prepares requests for proposals for insurances for City employees.

This Office is responsible for the Central Services Purchasing and billing of gas, office supplies, copies and other purchases for City Departments and some State agencies. A new computerized GASBOY system was installed in 1997 for the maintenance, record keeping and billing of gas purchased by City and School Departments, as well as outside agencies. This Department is responsible for the record keeping of the Berlin Airport Authority, including sales of all gas and financial reporting to the Authority. The Finance Department is also responsible for the mail service of all incoming and outgoing mail for all City Hall Departments, Development Department, as well as large bulk mailings for all other City Departments. This Department also serves, when needed, as central telephone agency for other departments. In the past year, the Finance Department has begun the process to search for an upgrade computer network system to replace the current system.

The Finance/Collection Department has a staff of six full time employees and one part time employee (21 hours). In addition to the Comptroller/Tax Collector, staff includes the following personnel: Anita Valliere, City Accountant; JoAnn Therriault, Account/Billings Clerk; Jeannette Laflamme, Supervisor Computer Division/Payroll; Lucille Lavoie, Accounts Payable Clerk; Valerie Litvin, Collections Clerk; and Elaine Tremblay, Senior Collection Clerk. Colleen Poulin worked in Collections part year.



ENGINEERING AND POLLUTION CONTROL

Pollution Control Facility.

The City prepared, advertised and received bids for a new boiler at the Pollution Control Facility.

The new boiler replaces the original boiler that was installed when the facility was constructed about 20 years ago. This project cost approximately \$17,800.00 and was paid for with reserve Cost Replacement Funds.

The City engaged a contractor to perform concrete rehabilitation work on the primary clarifier pump room roof which also serves as an at grade structural slab. The work cost approximately \$6,900.00 and was paid for with reserve Cost Replacement Funds.

The Pollution Control Facility treated 857 million gallons of sanitary sewer flow, and 212,775 gallons of septage waste during the fiscal year. 1409 tons of municipal sludge were generated at the Pollution Control Facility and were deposited at the Mt. Carberry Landfill.

Collection System. Inflow and infiltration (I/I) reduction continued with a series of line repairs completed by the City sewer crew. The work was estimated to cost approximately \$50,000.00 if completed by an outside contractor. Instead, the work was programmed into the sewer crew's summer work list and time and materials were paid for through standard annual line items. This gave the City good control of the work while preserving Reserve Cost Replacement Funds

In addition to the I/I removal work, a significant amount of investigation was performed with City personnel to further isolate and plan corrective actions for other I/I sources. To assist in investigation, the Sewer Department purchased a remote pipeline video camera. Insertion of the camera into storm drain and sanitary lines allows a precise diagnosis of a problem area without costly "hit or miss" excavations.

Solid Waste. The East Milan Road Landfill closure was substantially completed in October of 1996. Closure of the landfill launched the 39 year post closure monitoring program. Groundwater quality will continue to be monitored for this period. Maintenance of the site will include mowing and preservation of drainage channels. The site will be monitored for any major areas of settlement.

Pavement. 3,800 tons of overlay pavement were placed on City streets in 1997. The work was

completed as part of our ongoing street maintenance program. The total cost of the work was approximately \$207,000.00. In addition to standard street overlays, three street railroad crossings were rehabilitated. The railroad crossing projects were planned early in the summer with the railroad owners and were completed before fall.

Street Markings. Center lines, edge lines, railroad crossings and crosswalks were painted as they are every year. The cost of this work was approximately \$5,000.00.

Bridges. The City, through its bridge consultant, completed review of all of the City's bridges. A maintenance contract requiring work on several bridges is scheduled for bid sometime early in 1998. Funding will come from the Capital Improvement Bridge Reserve Account.

Public Works Garage Repairs. Repairs were made to the underside of the at grade structural slab of the garage. Repairs were designed to replace corroded structural steel and spalled concrete. The final cost of the project was approximately \$118,500.00 inclusive of engineering. Several cost saving measures were undertaken that contributed to the project coming in under the \$180,000.00 budget.

Airport Borrow Pit. The airport borrow pit was loamed and seeded this year following significant removal of borrow material last year for the closure of the East Milan Road Landfill. Funding for the reclamation work came from a fund established during the landfill closure. Revenue generated from the closure project was earmarked specifically for this purpose.

Unity Street Park. The "Unity Street" Park (to be named in the future) was constructed to approximately 75% completion this year. The project is the product of public and private parties coming together to accomplish something the City can be proud of. When completed in the summer of 1998, along with a new sidewalk on Unity Street, the park will open a view to the Androscoggin River that has been obscured from view for many years. Work on the site has been performed by Crown Vantage Corp. and the Department of Public Works. Initial plantings were completed during the United Way Day of Caring on Sept. 27, 1997 by volunteers. Funding for the project was acquired through a grant to the Berlin Recreation Fund.

Submitted by: **JAMES WHEELER**
City Engineer

PUBLIC WORKS DEPARTMENT



The Public Works Department provides a number of services to the citizens of Berlin. They include: the maintenance of some 60 miles of streets, many more miles of

sidewalks that need to be swept, patched and overlaid. We also provide snow removal, street striping, street marking, the fabrication and installation of street and traffic signs. We construct retaining walls, install guard rails and guard fences. We provide the City with daily garbage removal, a clean-up week in the spring and fall. We maintain the Cates Hill Landfill, and five cemeteries. We also maintain sewerage and storm water collection systems. We provide equipment maintenance for all of the Public Works Department, Fire Department, Recreation Department, Health, Police Department and Engineering Department, as well as the Berlin Municipal Airport. We maintain gas and fuel distribution. We also provide 146 sand and salt barrels for winter use.

The Public Works Department recycles paper, glass, plastics, tin, aluminum and cardboard. We linseed-oiled concrete sidewalks, retaining walls and bridges. The department completed 6 concrete sidewalk wheelchair ramps. They also constructed 150 linear feet of concrete sidewalks. They repaired a number of culvert headers. The department also hauled and graded loam for the sand pit area at the airport. They built a softball field, graded, loamed and seeded the area in Milan.

Repaired catch basins & manholes	54
Rebuilt manholes and & catch basins	16
New catch basins & manholes	3
Replaced drain lines & new drain lines	646'
Replaced sewer lines	473'
Replaced service lines	126'
Catch basins cleaned by machine	562
Salt for winter use	1846.13 tons
Sand for winter use	3339.72 tons
Cover for East Milan Landfill	15,000 c.y.
Street signs installed & repaired	350
Spring Clean Up Week	4 weeks worked
Fall Clean Up Week	4 weeks worked
Responded to Private Sewer Calls	27

Submitted by: **MAURICE WHEELER**
Public Works Director



PLANNING, ZONING AND ECONOMIC DEVELOPMENT

During the year, the department focused on key projects in each of the areas of planning, zoning and economic development. The department also underwent a restructuring that continues into the next fiscal year. The purpose of the re-structuring was to re-emphasize the importance of planning for the City, focus on the new position of City Planner who is also the City's grant writer and experiment with outsourcing the zoning officer functions. In addition, economic opportunity development is becoming the prime effort of the Industrial Development and Park Authority (IDPA) and the staff. Through the efforts of the City Manager, the Authority and the City have re-established its communications with the various state agencies, banks and private funding sources who are all partners in an effort that the City undertakes for future growth. In addition, the City will continue to work with BEDCO and Northern Community Investment Corporation as we continue to work on various opportunities. IDPA and the City are working on their Vision/Mission efforts while looking to revamp the marketing plan to be more successful in promoting business expansions as well as attracting new business to Berlin.

IDPA, the Planning Board, and the Zoning Board are also looking for additional volunteers who are interested in working on the boards and helping to improve the Berlin Community. Interested volunteers should contact the Planning Section at 752-1630 for further information.

Planning Board Activity - July 96 to June 97.

- Approved 4 Subdivisions, 1 Site Plan and 5 lot mergers
- Recommended changes to zoning map which were approved by City council.

Major projects of the Planning Board:

- 1 - Proposed correctional facility, the Board worked on the subdivision and site plan review applications for this project from June 96 to May 97. Conditional approvals for both applications were granted in May 97.
- 2 - Snowmachine Bridge - The Board held several meetings on this topic to work with snowmachine

clubs on finding a route for snowmachines through downtown Berlin including a bridge over PSNH's penstock and over the Androscoggin River. Efforts are continuing on this project.

3 - The Board met with Zoning Board of Adjustment in May. This coming together of the two boards was a new step in community teamwork.

4 - PSNH economic development grant - The Board held several meetings to discuss ideas for the use of this money.

5 - The Board also worked on - the natural gas pipeline, zoning ordinance rewrite, restructuring of Development Department.

Interest in the Planning Board meetings has been steadily increasing. The Chair is Richard Huot who has worked hard at recruiting volunteers. The Board consists of 9 members plus 3 alternates. In addition, there are 10 associate non-voting members who regularly attend meetings and provide input to Planning Board discussions.

Zoning Board of Adjustment Activity - July 96 to June 97

The ZBA heard 21 cases and granted 20 variances and 1 special exception.

The ZBA held a training session with the North Country Council to help several new ZBA members understand their role and responsibilities. This was beneficial to all.

Chair is Robert Tremblay.

Zoning Officer is Ron Baillargeon

Berlin Industrial Development and Park Authority:

IDPA's efforts in this past year is part of a rebuilding of the board and a re-focus on areas that may produce better results. While continuing to be in the "landlord" role, IDPA members have gone "on-line" and are considering the development of a web page that will access the Internet, promoting our valued assets and encouraging business expansions and attractions. To date, over a dozen different companies have made inquiries as to the benefits of conducting their business in Berlin. Work will continue.

Chair is Bernad Buzzell.

Submitted by: JUNE HAMMOND ROWAN
City Planner
MITCHELL A. BERKOWITZ
City Manager

COMMUNITY SERVICES DIVISION

BERLIN PUBLIC HEALTH DEPARTMENT AND VISITING NURSE PROGRAM



BERLIN PUBLIC HEALTH PROGRAMS AND

SERVICES: The field of public health grows and changes in leaps and bounds with each passing year. With each new day a new dimension of

business, industry, or contemporary life poses risks to the overall health and well being of our community. The Berlin Public Health Department continues to seek positive and supportive measures to insure public health.

Our parents and grandparents remember a time when few or little regulations existed in terms of activities and functions in a community like Berlin. Over recent centuries, social standards and moves have come into play to provide safety to all those residents who live in the City of Berlin. These safety standards exist as a network of local and state laws and agencies working together for the overall betterment of the community. The Berlin Health Department plays an active role in carrying out public health and safety functions to meet those standards set forth in local and state statutes.

During the past fiscal year, the Public Health Department has addressed many health protection issues including the activities of ambulance inspections, underground tank storage and tank removal, housing conditions and standards, nuisance complaints, animal endangerment issues, restaurant inspections and other issues of public health. The department has become more active in pursuit of assisting residents in meeting minimum safety standards of housing and property management during the past year. Local ordinances have been reviewed and recommendations have been

prepared to assist in better implementation of housing standards in the City.

In an effort to insure that Berlin is well affiliated with others in the field of Public Health, the department has worked closely with representatives from a variety of state agencies in responding to hazardous waste problems, animal concerns, and state standards for environmental concerns. Additionally, the Berlin Health Department has been the sponsoring agency for a series of Health Officer training sessions for North Country Health Officers. Review of topics including dilapidated housing, water and sewage, public health nursing, foster home inspections and more have been the format for this year long learning program. This program was underwritten with a grant from the State of New Hampshire.

BERLIN PUBLIC HEALTH NURSING PROGRAM AND VISITING NURSE

SERVICES: An important community resource is the Berlin Public Health Nursing Program and Visiting Nurse Service. Through these two segments of the Berlin Health Department, citizens are able to get quality nursing services at a reasonable cost. Through a variety of specialized clinics, we provide diagnostic information designed to assist people in their ability to stay well and healthy. Clinics include cholesterol screening, well child clinics, and of course during clinic hours we will do blood pressure and blood sugar screening. If citizens have specialized medical needs that the office nurses can assist with, we encourage a call to our office.

During the last 100 years, medical care has gone through a great variety of changes. One medical model that has become popular again in this century is that of assisting patients in staying in their homes under the caring service of family members or specialized staff. The Berlin Visiting Nurses program continues to provide support services for individuals and families living at home with specialized medical needs. Under doctor's orders and either under insurance coverage or private pay plan, a nurse will come to your home and assist in a variety of

medical functions. Additionally, this area of service provides physical therapy, occupational therapy, speech therapy, and home health aide services to residents. Although a majority of the clients this agency services are elderly or chronically ill patients, these services are available to all residents of the community, regardless of age. The services may be needed during a time of minor illness, following surgery, cases of chronic illness, or at times of terminal illness. During the past fiscal year the department has expanded its visiting nursing program to provide more nurses available to the public. Additionally, our nursing staff has completed specialized training in IV therapy available in home settings. In conjunction with North Country Home Health, the Berlin Public Health Visiting Nurses program now offers hospice care for terminally ill residents. This specialized service allows for persons to remain in their own home under the special care of nurses and other medical and support staff trained in assisting a patient and family members through this important life transition.

The Berlin Health Department has seen many years pass with numerous generations of well baby clinics, many homes provided services through inspection services, many area businesses benefitting from public health assistance. Working together into the future, we can plan and prepare for the needed public health and nursing requirements of the future. The department looks forward to continuing these services into the next century with you, our customers in mind.

Medical Clinical Services

Office Patients	531
Office Visits	699

Public Health Inspections

Food Services	15
Child Care Facilities	2
Housing	35

Immunizations and Tests

Oral Polio	39
DTP Injections	8
Measles, Mumps, Rubella Vaccine	138
TB Mantoux Test	527
Td Injections	230
HIB Injections	4
Act HIB Injections	20
Infant Hep B	12
Adult Hep B	137
DTAP	8

Clinic Attendance Record

Cardiac Clinic	2
Genetic Clinic	10
Adult Hepatitis B	89
Flu Vaccine	535
Immunization Clinic	74
Cholesterol Clinic	192
School Immunization Clinic	210

Public Health Nursing Services

Home Nursing Visits	8,240
Home Nursing Patients (unduplicated)	288
Physical Therapy Visits	452
Occupational Therapy Visits	251
Speech Therapy Visits	15
Home Health Aide Visits	18,628



**COMMUNITY SERVICES
DIVISION**

**RECREATION & PARKS
DEPARTMENT**

Back about 100 years ago, everyone gathered along a quiet lake or river to enjoy a bright summer day. Families came together in the out of doors to cook over an open fire and share a picnic. Children learned to play games of skill and chance and have fun with friends. Back about 100 years ago, people joined together to participate in sports for enjoyment and pleasure. What is that old saying, "As much as things change, things stay the same!"

The Berlin Recreation and Parks Department certainly has gone through many changes over these last years, some adding great worth to the department and our ability to serve patrons, others causing us to wonder if we can still meet our mission of offering quality recreation programs to the many citizens we service, but in this department it can be said that "As much as things change, things stay the same!"

Even with these changes, the Berlin Recreation and Parks Department continues to offer traditional recreation services to families and individuals in the community. This commitment and interest in public recreation services is documented by the consistent number of participants the department serves in varied programs. Traditional and non traditional sports programs for children continue to be very popular for all ages of participants. Through an extensive volunteer network of coaches and supporters, and some paid staffing, the department offers a variety of team competition sports. Just as in times past, these sports programs continue to provide fun to participants and healthful activities for a growing population of baby boomers.

Not quite the same as 100 years ago, when large extended families were able to enjoy being with their children throughout everyday or when a child learned a hand craft from a grandparent, families not face the challenge of both parents working, not living near relatives, and needing support services for children in a variety of ways. The Berlin Recreation and Parks Department offers many children's programs for youth as young as three years through young teens in an effort to provide some of this support. Crafts, early childhood recreational programs,

special holiday events, and Jericho Lake Day Camp all offer children the opportunity to grow and learn about the world around them in a positive way, the 100 years ago may well have been part of growing up in a large family.

One hundred years ago doing laundry was a physical challenge; tending the gardens and fields was work that kept people healthy and well. Today, the Berlin Recreation and Parks Department programs offer adults opportunities to foster physical health and well being. This past year, adults participated in varied exercise programs, walking programs, adult sports leagues, and other activities such as line dancing and crafts.

It is often said that parks are the gifts our forefathers have given us to remember and enjoy the beauty of nature and the out of doors. Berlin certainly has benefitted from the vision of many who in the 100 years have planned and developed beautiful park land throughout the city. The past year has seen a continuing commitment to this concept through work of varied individuals and groups. The Memorial Field renovation initiative received a needed boost through the efforts of Crown Vantage and the Isaacson Memorial Fund, in memory of Eli Isaacson. Volunteers and representatives of Public Service of NH and the National Parks Service achieved some success during this year in creating a small pocket park on Unity Street, complimenting the recreational walkers that frequent this busy highway route. Local Vietnam Veterans have adopted the Dead River Park and have lovingly cared for its maintenance with a future vision of creating a Vietnam War Memorial on this site. Our contemporaries are working diligently to pass on to the next 100 years a parks configuration that will preserve the beauty and natural quality of our city.

One wonders what recreation will be like 100 years from now. Will we utilize our leisure time with computer games, Internet chess games, visual reality hockey with teams from across the country, cyber space parks? As technology advances and we become a nation of older citizens living longer into the next 100 years the Berlin Recreation and Parks Department would pledge to continue to provide traditional and technological recreation opportunities to Berlin's residents.

Submitted by: **LAURA LEE VIGER**
Community Services Manager

**RECREATION & PARKS DEPARTMENT
PROGRAM SUMMARY JULY 1996- JUNE 1997**

Summer	
Program Title	Attendance
Beginners Baseball	69
Babe Ruth Baseball	69
Farm League Baseball	125
Basketball Camp (gr. 3 - 6)	22
Basketball Camp (ages 5-7)	16
Circle of Fun	16
Community Gardens	7
Jericho Camping	4 groups
Jericho Day Camp	42
Jericho Shelter Rental	4 groups
Playground Special Events (6)	15-25 per day
Playground Weekly Activities	10 -20 per day
Seniors Picnic @ Jericho Lake	21
Seniors trip to Bretton Woods	20
Slimnastics	14
Softball, Girls ages 6-8	23
Softball, Girls ages 9-16	141
Tennis Lessons	9
Trips (4)	53

Fall	
Craft Fair	14 groups
Craft of the Month	8
Halloween Haunted House	409
Kinderkonzert	3
Little Tykes Playground	25
Soccer, (grades 1 & 2)	29
Soccer, (grades 3 & 4)	62
Volleyball, Adult	9 teams

Winter	
Program Title	Attendance
Basketball (grades 1 & 2)	35
Basketball (grades 3 & 4)	40
Cheerleaders (grades 3 & 4)	18
Gr. 3 & 4 Girls' Basketball	42
Basketball Tournament	10 teams
Craft of the Month	18
Hockey Development	91
Jogging	42
Little Tykes Playground	48
Ski Program (grades 3-6)	101
Slimnastics	33

Spring	
Craft of the Month	18
Easter Egg Hunt	400-500
Gym Rentals (yearly)	43
Little Tykes Playground	65
Sleep Over @ Rec Cntr	8
Slimnastics	35
Soccer (grade 1 f& 2)	39
Trip to Casablanca Theater	11

"Friendship"
by: Kristal Garneau

*Friendship is
Really caring,
Inside and out,
Even when disagreeing,
Never without doubt,
Dear and always true,
Sometimes really neat,
Helping when you're blue,
Immeasurably
Partners*

COMMUNITY SERVICES DIVISION



LIBRARY

The Berlin Public Library has just completed another very successful year providing a quality enriching experience for all its patrons. "Berlin's 100th Year as a City" parallels the existence of the Berlin Public Library. A library is the repository of information and memories for each succeeding generation and as such, we revel in a long and gratifying history.

This year, we will endeavor to bring to our patrons the automation of our circulation. We are continuing our quest for new equipment to better serve the public by opening the avenue to the information revolution for all the citizens of this community. We wish to bring to our library information directly related to the future of the community and quoting Senator Henry E. Burnham from Manchester, who delivered a dedication address advising "the schools and the library are companions and co-workers in the glorious work of elevating the minds of the people."

This year we will be reaching out to the schools, the libraries and to the NH State Library in order to form a bond that will better serve the City of Berlin. We will be purchasing two new computers supported by a grant from the NH State Library to provide our patrons with direct access to the Internet.

For the past fifteen years, we were very happy to be able to present to the community, a lecture series entitled "What is NH Reading?" This series consisted of four books by NH authors. This was presented during the autumn of 1996. During spring of 1997, we were able to present a new series

consisting of three books and a film. One of the books was the story of Dr. Johnson who once lived in Gorham, before moving to the Keene, NH area. A few of the people in the audience had known the Johnson's and remembered them fondly. These series were presented in conjunction with the librarian at the Fortier Library, and the funding was generously provided by the NH Humanities Council with in-kind participation by the Librarians.

Each year, the Berlin public library presents a literacy program called "Connections". This is made possible by a grant from the NH State Library. Literacy is the cornerstone of a society and as such, this program is a very important part of library work.

The theme of the 1996 Summer Reading program was "Reading...the best game around". This was a very successful program provided by the NH State Library. A hundred children signed up for this fun program. The highlight of the Summer Reading Program was the kickoff event presented by performer Peter Burns. This event was made possible by a grant from the NH State Library. The Children's librarian also presented a Story Hour every Thursday morning at the Berlin Public Library. We are very grateful to all the volunteers that so graciously gave of their time in order to allow the librarian the time to present her program.

The Berlin Public Library is looking forward to being fully automated and able to continue its parallel course with the City of Berlin through the second tier of the century mark.

Respectfully Submitted:
YVONNE THOMAS
Head Librarian

Library Statistics 1996-97			
Topics	Adult	Juvenile	Total
Generalities	131	135	266
Philosophy	246	88	334
Religion	166	78	244
Social Studies	835	810	1,645
Languages	66	83	149
Natural Sciences	1,490	1,349	2,839
Useful Arts	1,177	615	1,792
Fine Arts	777	640	1,417
Literature	306	267	573
History	39	238	277
Travels	603	200	803
Biography	191	262	453
Videos	31,211		31,211
Re & Comm Spr	49		49
Periodicals	3,394	171	3,565
Fiction	17,147	8,723	25,870
Cassettes	2,094		2,094
Compact Discs	403		403
Paperbacks	2,261		2,261
Pamphlets	1		1
Camera	3		3
Easel	1		1
Totals	62,591	13,659	76,250

COMMUNITY SERVICES DIVISION

WELFARE DEPARTMENT



The Welfare Department provides general assistance to individuals in the City who lack adequate resources for their basic needs as mandated by the State of New Hampshire Statutes pertaining to Health and Human Services and in accordance with written guidelines approved by the Council. All assistance is granted in the form of purchase orders and not by direct cash payments.

The Department administers a Work Program. Recipients who are physically and mentally able to work are assigned to City departments or non-profit organizations to work off the cash value of the assistance provided on a weekly basis. The Department also provides information and referrals to appropriate agencies.

The following statistics indicate some of the functions of the Department for the fiscal year July 1, 1996 to June 30, 1997:

Activities	
Office Visits	3,134
Cases Interviewed	222
Cases Assisted Financially	
Singles	77
Families	9
Total	86
Welfare Orders Issued	1,295
Hours worked on Work Program	11,642

The department was successful in recovering a total \$9,161 from 17 cases.

With the possible downshifting of welfare costs resulting from welfare reform by the Federal and State Governments, during this fiscal year, new procedures were initiated to protect the City from the possibility of welfare fraud. Guidelines were updated and approved by the Council. The continued cooperation by local church organizations contributed to the degree of effectiveness by this Department.

Submitted by: **ANNETTE LANGEVIN**
Administrator of Welfare

"Creatures of Berlin"

by: Andrea Boucher

Roam through the forest

Across the street, too.

I think it's so funny

To watch what they do!

They wander so freely;

Never in fear.

They come in our yard

And come very near.

Many of the creatures in our town;

The fox, bear, and morning dove;

They are the creatures,

The creatures I love!



BERLIN HOUSING AUTHORITY



For the third year in a row, the Congress in 1996 failed to provide money to expand the tenant-based Section 8 certificate and voucher programs that have become the chief vehicles for delivering rental assistance to very-low-income families across the nation. Also in 1996, the assisted housing community lost a leading spokesman when in December Henry Cisneros of San Antonio announced he would not stand for renomination as Secretary of the Department of Housing and Urban Development. Over the past four years, the forty-nine year old Cisneros has been an energetic and effective proponent of public housing reform whose initiatives to restructure and downsize HUD are credited with having played a large part in defeating the efforts of those who would shut it down.

Rental assistance payments made in 1996 to owners of Berlin residential properties taking part in the Authority's Section 8 certificate, voucher and moderate rehabilitation programs totaled some \$747,000. Over the past seven years, such assistance payments for low-income families have amounted to more than \$5 million.

Program utilization at year's end was at 97 percent, with 363 of the 371 units allotted to the Authority under lease at December 31, virtually the same number as in 1995.

Robert R. Morin of Whittemore Street was reappointed to the Board on November 18, 1996. He has been a member of the Authority since it was formed and serves as its Chairman.

Submitted by: **DON MANGINE**
Director

Assets		
Assets	1995	1996
Cash	109,413	119,597
Security deposits	4,751	6,123
Accounts Receivable HUD St Regis House	3,136 2,793	4,031 1,491
Investments	380,429	473,295
Debt amortization funds HUD contribution receivable	78,323	78,323
Prepaid insurance	4,190	3,248
Land structures & equipment	1,441,168	1,442,925
TOTAL ASSETS	2,024,203	2,129,033

Liabilities		
Liabilities	1995	1996
Accounts Payable HUD Other	7,497 2,973	50,706 2,752
Accrued Liabilities	9,423	10,688
Notes Payable	775,804	748,685
Prepaid HUD contributions (net)	21,476	19,855
TOTAL LIABILITIES	817,173	832,686

Equity		
Operating reserves	463,343	523,783
Cumulative HUD contributions (net)	743,687	772,564
TOTAL EQUITY	1,207,030	1,296,347

Total		
TOTAL LIABILITIES AND EQUITY	2,024,203	2,129,033

BERLIN FIRE DEPARTMENT



As the City of Berlin celebrates the 100th anniversary of becoming a city, the Berlin Fire Department takes pride in being a part of this City's rich heritage. The City Fathers of one hundred years ago realized that the protection of the citizenry from the ravages of fire was an important responsibility of the government and that the service provided should be professional, efficient and well equipped. The City Ordinance that formed the Berlin Fire Department into a municipal department was voted on by City Council and signed by Mayor H.F. Marston on August 3, 1897. The commitment to duty and pride of service is still existent in the ranks of the Berlin Fire Department today. We stand ready to fight fire, perform various types of rescue, mitigate hazardous material emergencies with the same dedication and professionalism that our predecessors had. Our Fire Prevention Bureau, Inspection Division, and Electrical Systems Division work diligently to insure public safety through public education, inspection, code enforcement, and public building electrical maintenance. The Officers and Personnel of the Berlin Fire Department have been committed to providing professional service to the people of Berlin for over one hundred years and will be there for them for the next one hundred.

The following is a summary of BFD calls for Fiscal Year 1997.

BFD Calls for FY96	
Assist Police	9
Bomb Scare	2
Chimney Fire	6
Dangerous Situation	9
DHART	34
Electrical Fire	3
Electrical Problem	21
False, Malicious	19
False, Unintentional	82
Furnace Problem	10
Leak/Spill	102
Lock Out	3
Medical Aid	11
Outside Fire	32
Rescue	11
Smoke Scare	17
Sprinkler Problem	1
Structure Fire	29
Vehicle Accident	38
Vehicle Fire	11
Water Problem	16
Total	466

The following is a summary of the Fire Prevention Bureau inspections for Fiscal Year 1997:

Fire Prevention Bureau Inspections	
Places of Assembly	12
Oil Burners	155
L.P. Gas	5
New Construction	34
Wood Burner/Chimney	10
Health Care	9
Complaints Investigated	5
Industrial	6
Foster Homes	14
Day care	4
Alarm Inspections	40
Misc. Inspections	31
Public Education	22

The following is a summary of Permits issued and Department of Housing and Urban Development (HUD) inspections from the Building Inspector's Office.

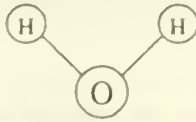
Permits Issued and HUD Inspections	
New Single Family Houses	1
Signs	18
Temporary	2
Sheds, Barns, etc.	11
Pools, Retaining Walls	5
Siding	19
Residential Alterations	118

Permits Issued and HUD Inspections (cont.)	
Residential Additions	24
Commercial Additions	3
Commercial Alterations	51
Industrial Additions	1
Industrial Alterations	2
Non-residential & Non-housekeeping	2
Residential Garages	13
Institutional Additions or Alterations	2
Demolition, Residential Buildings	2
Other Demolitions and Tank Removals	21
Electrical	85
Plumbing	10
Mechanical	7
Total	397

Housing Inspections	
Initial Inspections	16
Annual Inspections	295
Re-inspections	254
Total	565

Submitted by: **PAUL FORTIER**
Fire Chief

BERLIN WATER WORKS



For this report Carl D. Oleson resigned in January due to health. Mr. Gerard R. Chouinard was appointed to replace Mr. Oleson. Effective May 1, Board Chairman Omer R. Morin resigned. Daniel T. Collins was appointed to replace Mr. Morin. Paul E. St.Hilaire, Regis M. Saucier and ex-officio member Mayor Richard P. Bosa served on the Board.

A 1997 calendar year budget of \$2,486,248.00 was approved by the Board with \$1,210,398.00 for water bond debt and \$1,275,850.00 for operations. The Board received a State FY '96 payment of \$179,411.49 and a State FY '97 payment of \$306,864.52 for the State share of water bond debt involving required surface water treatment rule infrastructure improvements.

Water entering the distribution system was 978,695,712 gallons for an average day use of 2.68 million gallons. This is 340,000 gallons more per day than last year's average of 2.34 million gallons. The increased use can be attributed to several water leaks, loss of water to flush and fill new water mains, water loss to waste as a result of testing the new water treatment facility and usage to prevent water service lines from freezing.

Water Works continued to work with the U.S. Army Corps of Engineers, CPAR project with the installation of a frost shield of new water pipe installed on Wentworth Avenue.

The Board attended meetings relative to EPA's Safe Drinking Water Reauthorization Act and the new State Revolving Loan Fund (SRF) program to be funded as part of this act. In June, the Board authorized six pre-application infrastructure projects to be submitted to the State for their

consideration to be funded from this funding source.

Senator Robert Smith was successful in getting a waiver of the 10,000 population limit for Berlin only, and only for the U.S. fiscal year 1997. In August, the Board met with officials from the USDA Rural Development to discuss a water project and grant application procedures. As a result, Water Works staff in December, submitted an application for a grant in the amount of \$1.5 million. On April 22, 1997, representatives from USDA and Senator Smith's office met with City Officials to award a \$1.5 million grant to the City for replacement and improvement of small diameter water mains. In June, bids were opened to install about 11,500 linear feet of water mains and appurtenances.

In August, the Board authorized the use of 1993 water bond funds toward the cost of installing a 12 inch water main between 12 B Street and Upper Hillside Avenue in order to abolish the Halvorsen wood storage tank. Water Works employees installed this water main with some contracted services utilized.

Concrete repair work on Godfrey Dam was finalized during the fall. Water main replacement and improvement was performed on Wentworth Avenue, Gordon Avenue, Upper Hillside Avenue, Myra Street and Sweden Street.

On November 12, 1996, the new Ammonoosuc water treatment facility started providing treated water to the City and replaced the old 1940 gravity pressure filtration plant. Work on both treatment plants is at 99.5% completion.

Our running water program to prevent water pipes from freezing started on December 30, 1996 and ended on April 14, 1997, with staff responding to four frozen water calls compared to 57 the previous year.

On January 20, 1997, the City of Berlin passed an ordinance which pertained

to the Water Works Commissioners and specifically to fiscal accountability. In March, the Board requested a legal opinion from Water Works Attorney James Michalik as to the legality of the January 20 City Ordinance. Attorney Michalik informed the Board that this Ordinance is not valid and does not apply to the Board of Water Commissioners and further recommended that the City repeal the ordinance to prevent future misunderstanding.

A contract was signed with Turbo Mechanical Services Inc. to upgrade two backwash pumps and one sump pump at the Androscoggin Water Treatment Plant. At this facility, the cover of the 500,000 gallon treated water storage tank was re-coated.

Water Works staff assisted the City's CDBG consultant Donna Lane with preparing a July 1997 application for \$500,000.00 to replace and improve small diameter water mains. Water Works staff assisted Coos County's CDBG consultant Donna Lane to apply for a \$400,000.00 grant to replace the Cates Hill wood storage tank that supplies water to the Coos County Nursing Home. The County has received this award and Water Works staff is assisting the County, when requested, on this tank replacement project.

On Rockingham Street, south of East Mason Street, the two inch galvanized water main failed this spring. As a result, Berlin Water Works has requested that the unappropriated funds left from the CDBG East Side water main project be used to replace the Rockingham Street main with a new eight inch pipe. As a result, a housing survey revealed this section of street to be eligible for these funds and the City, in June, requested the NH Office of State Planning to approve the use of these funds for the water main replacement.

Berlin Water Works and Local Union #1444 executed a collective bargaining agreement for the period July 1, 1996 to June 30, 1997 with no change in the terms of the agreement over the previous agreement.

National Drinking Water Week was celebrated May 4 to May 10 with an open house held at the new Ammonoosuc Water Treatment Facility. Several citizens took advantage of the open house to inspect the treatment process. Mayor Bosa signed a proclamation to honor this week and two employees attended a water fair held in Keene, NH.

In May, the Board voted to change the first minimum water consumption range of 0 to 1,000 cubic feet by expanding this range into three ranges for billing purposes. To account for loss in revenue by doing this, the Board voted to add a customer charge to all accounts in the amount of \$2.05 with the change to take effect with the October, 1997 water bill. The Board also voted to change the Water Works calendar year to a fiscal year effective July 1, 1998. Conversion of water meters from visual read to touch read continues and will be an ongoing project until all have been upgraded to allow for automatic billing.

Submitted by:
ALBIN D. JOHNSON, P.E.
Water Works Superintendent
& Chief Engineer

"The Androscoggin River"
by: Jessica Dube

*Staring into the Androscoggin River
When Berlin was young
You might have been able to see
logs flowing down the stream,
People fishing,
Someone taking a ride in their rowboat,
Or maybe even just
A loon sitting
On one of the booms.*

BERLIN POLICE DEPARTMENT ANNUAL REPORT 1996-1997



Police: the preservation of peace, protection of life and property in a manner consistent with the freedoms secured by the Constitution.

City policing has become much more than enforcing laws and controlling crime. Police resolve

family problems, deal with citizen conflicts, and respond to emergencies. Contrary to every other city service agency, the police are pro-actively on duty and fully alert on a twenty-four hour basis, every day of the year. They provide assistance on a twenty-four hour basis every day of the year. As the calls-for-service continue to rise and the resources diminish, police services once enjoyed are in jeopardy.

The Department initiated a Community Policing program during which officers are to spend one-half hour of their patrol time in an assigned neighborhood, in addition to various other duties. Also as part of the program, a bicycle patrol was established during the current year. Thanks to the generosity of a retired Police Sergeant and Croteau & Son Bicycle Shop, two officers are equipped to provide another dimension of police service to Berlin. Officers Steve Arsenault and Karl Nelson are able to provide effective patrols on Main and Pleasant Streets and the city's parks and trails. In one eight-hour patrol, the officers made four arrests, including a drug arrest on the trails in the area of Cole and York Streets. Many times, these officers are able to respond to calls for service more quickly than officers in a cruiser because of their mobility, and at the

same time, provide a more personal level of law enforcement to the citizens of this community.

Citizens of all communities favor pro-active policing, but the citizens of Berlin must understand that with limited resources, the above program may fade away. The number of calls for service continually rises; conversely, pro-active policing diminishes. However, this department is committed to providing the community the best services possible with the resources at hand and will continue with instituting programs such as those mentioned above.

Captain Nadeau continues to aggressively pursue government grants. Four lap-top computers were purchased for the cruisers with a COPS grant. Three Traffic Enforcement grants were used to slow traffic on Hutchins St., Hillside, and Glen Ave., because citizens complained of motorists driving too fast on those streets. Twenty-five or more bicycle helmets were given free of charge to the youth in this community, through the help of the NH Highway Safety Agency and the Kiwanis Club. Already, two youths have escaped serious injury because they were wearing their helmets.

One of the most recent advances made at the police department is the use of new computer software from the Information Management Corporation (IMC). The software was purchased in two sections; one section has been in use since 01-01-97, while the remainder will not be fully activated until 01-01-98. Consequently, the following statistics are for the first six months of this year only. The software will produce much greater detailed reports concerning the activities of your police department.

There were 304 crime victims during the first six months of this year; 146 were male, and 158 were female. There were

more male victims from the 35-54 age group, while there were more female victims from the 18-24 age group. The busiest month was June; May was the second busiest, and January was third. The breakdown of arrestees by sex produced the following: 165 arrests, 127 male (majority coming from the 18-24 age group), and no female arrests. Most arrests were made between 1-2 PM, with 11- 12 PM coming in second.

There were 158 female victims, with

the majority from the 18-24 age group; and 146 male victims, with the majority from the 35-54 age group.

Most simple assaults were committed by individuals between the ages of 25-34; most DWI arrestees were between 35-54, and City Ordinance traffic violations from the 18-24 age group. More crime was reported on Fridays; Wednesdays came in 2nd; and Tuesdays, Thursdays, and Saturdays were 3rd.



01/01/97- 06/31/97
IBR - SIX MONTH TOTALS

AGGRAVATED ASSAULT	6	LIQUOR VIOLATIONS	10
ALL OTHER OFFENSES	126	MOTOR VEHICLE THEFT	4
ARSON	1	OFFENSES INVOLVING ALCOHOL	144
BAD CHECKS	14	OFFENSES INVOLVING DRUGS	17
BURGLARY	10	OTHER LARCENY	28
CREDIT CARD	1	PARKING TICKETS	455
DISORDERLY CONDUCT	4	SHOPLIFTING	13
DRUGS	2	SIMPLE ASSAULT	80
DRUNKENNESS	3	STATUTORY RAPE	12
DWI	21	STOLEN PROPERTY	2
EMBEZZLEMENT	1	THEFT OF M/V PARTS	5
FAMILY OFF NONVIOLENT	19	THEFT FROM BUILDING	21
FORCIBLE FONDLING	3	THEFT FROM MOTOR VEHICLE	9
FORCIBLE RAPE	6	TRAFFIC/ORDINANCES	43
FORGERY	1	TRESPASS	19
INCEST	2	VANDALISM	87
INTIMIDATION	48	WEAPON VIOLATIONS	3

Respectfully Submitted

Alan Tardif
 Chief of Police

BERLIN PUBLIC SCHOOLS



The 1996-97 school year included a successful year of administrative transition with Mr. Bruce MacKay as the new Superintendent, Mr. Donald Lafferty as Berlin

High School Principal, and Mr. Kenneth Proulx as Guidance Director. At the Berlin Junior High School, Mr. Keith Parent was appointed the new Principal.

The New Hampshire Frameworks and Assessment of student performance continued in grades 1-3 and began at Hillside Elementary, Berlin Junior High School, and Berlin High School. Grades 3, 6, and 10 were tested and results continued to be used to evaluate and determine curriculum. Modifications in curriculum based on the frameworks will continue at all schools.

K-12 curriculum coordination began in several areas: Physical Education, Art, and Social Studies. The Berlin High School guidance director was assigned K-12 Guidance Coordinator, and a K-12 Technology Plan was completed. This coordination and constant curriculum revision will be stressed and will continue.

It was the first year for block scheduling at Berlin High School. A grant was secured to initiate a School-To-Career Program that will continue for four more years. Our bus garage was moved to the former G. Housen building on Jericho Road. City Council and the State approved a \$6,000,000 bond to repair our school building, and the second edit of our Education Improvement Plan was completed. Founders Hall at the Mental Health Center contributed with a grant to help fund a counselor for Brown and Bartlett Schools, and one for the Junior High School as well as

Berlin High School. The school department reached two-year contract agreements with Local 1444 and the Berlin Education Association.

Much was accomplished during the 1996-97 school year. Much has to be done in order to prepare our students to successfully enter a world of rapid changes and developments. The school department hopes to continue to work with parents, citizens, and the government to provide the best possible education for our students.

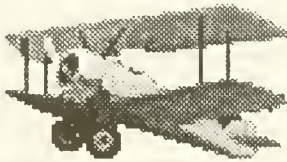
Submitted by:
R. BRUCE MACKAY
Superintendent of Schools

"The Androscoggin River" by Fusanne Landolt

*The Androscoggin River flows
Quietly through the town.
There are rocks in the middle,
But it makes its way around.
When the sun shines down,
It is the nicest color blue.
Looking at it can cheer me up.
How about you?*



BERLIN MUNICIPAL AIRPORT



The Berlin Municipal Airport runway is the longest north of Laconia and east of Lebanon being 5,200 x 100 feet. There are 27 aircraft based at the Berlin Airport, one of which is a corporate twin engine. Both Jet-A and 100 low lead aviation fuels are offered for sale. The 100 low lead fuel, used in piston powered aircraft, may be purchased 24 hours a day with the use of the credit card system. This unit is one of only three in the State of New Hampshire.

There are several fixed base operators at the Berlin Municipal Airport providing the aviation community with a wide range of aviation services which include aircraft maintenance and repair, aircraft storage, aircraft rentals, pilot training and scenic flights. Berlin Municipal Airport has also been host to National Guard training and group informational tours. The Berlin Airport is open and staffed seven days a week from 8:00 a.m. to 5:00 p.m. Staff is also available after hours to meet the needs of our customers and to keep the runway clear of ice and snow during the winter months.

Fuel sales are the backbone of revenues made at the Berlin Airport. Our fiscal year runs from July 1 to June 30. In 1996 the Berlin Airport sold a total of 46,365 gallons of aviation fuels. During the first quarter of 1997, the airport sold a total of 26,691 gallons of aviation fuels, which is more than half of all the fuel sold in 1996. The Berlin Airport has had a very busy summer with fuel sales continuing to be good.

1997 has been a year for big changes

at the Berlin Airport. We have two new 10,000 gallon fuel storage tanks and fueling systems, one for the 100 low lead and the other for the Jet-A. A 24 hour credit card system on the 100 low lead is also a new feature. The terminal building has been renovated to give our customers the clean and professional first impression that is important and fitting to our North Country area. Customer service has been improved to meet the high standards of the many corporate customers that utilize the Berlin Airport. New approach landing lights were installed on the 18 end of the runway. We have had both an open house and an Aviation Heritage Day, both of which were a big success.

The Berlin Airport is a vital part of our community. It is a place we can be proud of and a place where first impressions to New Hampshire's North Country can be made. As the economy improves and the area grows, so will the Airport.

The Berlin Airport Authority, Airport employee's John Montesi, Warren Ingram and Airport Manager Erik Kaminsky, fixed base operators, pilots, White Mountain Flyer's association are working together to make our north country a good place to live. It is the work of all that make the difference.

Submitted by:
ERIK KAMINSKY
Airport Manager

"The Ski Jump"
by: Jules Payette

*It stands mighty tall
For just one fall
Wax those skis well so
You can jump and touch
The sky, so you'll feel
Mighty Tall*

Vachon, Clukay & Co., PC

Certified Public Accountants

45 Market Street
Manchester, New Hampshire 03101
(603) 622-7070
FAX: 622-1452

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor, City Council and Manager
City of Berlin, New Hampshire

We have audited the accompanying general purpose financial statements of the City of Berlin, New Hampshire as of and for the year then ended June 30, 1997, as listed in the table of contents. These general purpose financial statements are the responsibility of the City of Berlin, New Hampshire's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The general purpose financial statements referred to above do not include the financial statements of the Berlin Water Works and the Public Works Pension Trust (component units of the City), which should be included to conform with generally accepted accounting principles. The Berlin Water Works and Public Works Pension Trust utilize different year ends. The omitted financial statements for the Berlin Water Works has assets, liabilities, revenues and expenses of \$18,404,640, \$11,920,306, \$3,070,741 and \$2,204,376 respectively based on audited information as of December 31, 1996. The Public Works Pension Trust has assets of \$751,994, revenues of \$151,469 and expenses of \$8,700 based on unaudited information as of September 30, 1997.

As more fully described in Note 1, the general purpose financial statements referred to above do not include the financial statements of the General Fixed Asset Account Group, which should be included in order to conform with generally accepted accounting principles. The amount that should be recorded in the General Fixed Asset Account Group is not known.

In our opinion, except for the effects on the general purpose financial statements of the omission described in the preceding paragraphs, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Berlin, New Hampshire as of June 30,

1997, and the results of its operations and cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 1997 on our consideration of the City of Berlin, New Hampshire's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the City of Berlin, New Hampshire taken as a whole. The combining financial statements listed as schedules in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Berlin, New Hampshire. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by US Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and nonprofit Organizations*, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects in relation to the general purpose financial statements taken as a whole.

Vachon, Clutey & C. PC

September 26, 1997

June 30, 1997

	Governmental Fund Types				Proprietary Fund Types	Fiduciary Fund Types	Account Group	Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	General Long-Term Debt				
ASSETS								
Cash and cash equivalents	\$2,805,273		\$4,800,846					\$2,905,343
Investments	2,701,236							7,928,181
Taxes receivable, net	8,224,759							8,224,759
Accounts receivable, net	1,219,319	\$1,756						1,423,314
Due from other governments		217,478	31,414	\$202,239				248,892
Prepaid expenses	71,425							71,425
Due from other funds	6,309,142	25,855	1,584,207	2,166,353	1,200			10,086,757
Advance to other fund			280,000					280,000
Restricted assets - cash	3,801	9,435						3,801
Inventory				15,102				24,537
Property, plant and equipment, net				23,377,029				23,377,029
Amount to be provided for retirement of general long-term obligations						\$7,892,972		7,892,972
Total Assets	\$21,334,955	\$254,524	\$6,696,467	\$25,760,723	\$527,369	\$7,892,972		\$62,467,010
LIABILITIES AND FUND EQUITY								
Liabilities:								
Accounts payable	\$328,350	\$51,186	\$26,373	\$36,726				\$442,635
Accrued liabilities	289,588		69,167	68,484				427,239
Retainage payable			162,218					162,218
Deferred revenue	10,503,921	979		107,421				10,612,321
Due to other governments	501,027				\$10,953			501,027
Due to other funds	9,561,365	165,052	330,680	18,707				10,086,757
Advance from other fund				280,000				280,000
Due to student groups					85,397			85,397
Payable from restricted assets	3,801							3,801
Bond anticipation note payable			5,000,000					5,000,000
Notes payable				406,894				406,894
General obligation debt payable						\$3,883,190		3,883,190
Other long-term obligations						1,133,977		1,133,977
Accrued compensated absences payable						1,801,575		1,801,575
Estimated liability for landfill closure and postclosure care costs								
Total Liabilities	21,188,052	217,217	5,588,438	918,232	96,350	7,892,972		35,901,261
Fund Equity (Deficit):								
Contributed capital				23,149,189				23,149,189
Retained earnings				1,693,302				1,693,302
Fund Balances:								
Reserved for endowments								
Reserved for encumbrances	199,206	1,897						
Reserved for prepaid expenses	71,425							
Reserved for advances			240,000					
Unreserved:								
Designated	639,064	93,858	1,520,908					2,364,211
Undesignated	(762,792)	(58,448)	(652,879)					(1,280,759)
Total Fund Equity	146,903	37,307	1,108,029	24,842,491	431,019			26,565,749
Total Liabilities and Fund Equity	\$21,334,955	\$254,524	\$6,696,467	\$25,760,723	\$527,369	\$7,892,972		\$62,467,010

EXHIBIT B

CITY OF BERLIN, NEW HAMPSHIRE

Combined Statement of Revenues, Expenditures and Changes in Fund Balances

All Governmental and Similar Trust Fund Types

For the Year Ended June 30, 1997

	Governmental Fund Types			Fiduciary Fund Types	Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Expendable Trust	
Revenues:					
Taxes	\$11,672,348				\$11,672,348
Licenses and permits	956,879				956,879
Intergovernmental revenues	3,916,280	\$637,615	\$53,226		4,607,121
Charges for services	1,352,337	918,486			2,270,823
Miscellaneous revenues	379,587	152,678	140,997	\$26,102	699,364
Total Revenues	18,277,431	1,708,779	194,223	26,102	20,206,535
Expenditures:					
Current:					
General government	2,234,716				2,234,716
Public safety	2,072,451				2,072,451
Airport/Aviation center		200,659			200,659
Highways and streets	1,400,084	21,075			1,421,159
Health and welfare	434,473	540,279		1,555	976,307
Sanitation	230,799				230,799
Culture and recreation	299,726	48,806			348,532
Education	7,845,283	468,277		500	8,314,060
Food service		313,348			313,348
Capital outlay	322,888	268,203	2,221,311		2,812,402
Debt service:					
Principal of debt	1,385,000	9,585			1,394,585
Interest and fiscal charges	984,030	4,365	69,167		1,057,562
Intergovernmental	1,285,450				1,285,450
Total Expenditures	18,494,900	1,874,597	2,290,478	2,055	22,662,030
Excess of Revenues Over (Under) Expenditures	(217,469)	(165,818)	(2,096,255)	24,047	(2,455,495)
Other Financing Sources (Uses):					
Proceeds of long-term debt		86,000	970,367		1,056,367
Operating transfers in		38,255			38,255
Operating transfers out	(38,255)				(38,255)
Total Other Financing Sources (Uses)	(38,255)	124,255	970,367		1,056,367
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(255,724)	(41,563)	(1,125,888)	24,047	(1,399,128)
Fund Balances, as restated - July 1	402,627	78,870	2,233,917	86,334	2,801,748
Fund Balances - June 30	\$146,903	\$37,307	\$1,108,029	\$110,381	\$1,402,620

See notes to financial statements

EXHIBIT C

CITY OF BERLIN, NEW HAMPSHIRE

Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis) - General and Special Revenue Funds

For the Year Ended June 30, 1997

	General Fund			Special Revenue Funds			Totals (Memorandum Only)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:									
Taxes	\$12,959,758	\$11,672,348	(\$1,287,410)				\$12,959,758	\$11,672,348	(\$1,287,410)
Licenses and permits	741,210	956,879	215,669				741,210	956,879	215,669
Intergovernmental revenues	3,755,743	3,834,661	78,918	\$694,413	\$583,712	(\$110,701)	4,450,156	4,418,373	(31,783)
Charges for service	1,082,413	1,352,337	269,924	188,706	321,814	133,108	1,271,119	1,674,151	403,032
Miscellaneous revenues	366,283	379,587	13,304		152,678	152,678	366,283	532,265	165,982
Total Revenues	18,905,407	18,195,812	(709,595)	883,119	1,058,204	175,085	19,788,526	19,254,016	(534,510)
Expenditures:									
Current									
General government	2,234,885	2,235,094	(209)				2,234,885	2,235,094	(209)
Public safety	2,138,621	2,044,685	93,936				2,138,621	2,044,685	93,936
Airport/Aviation center				38,255	200,659	(162,404)	38,255	200,659	(162,404)
Highways and streets	1,422,099	1,405,184	16,915				1,422,099	1,405,184	16,915
Health and welfare	457,181	435,955	21,226				457,181	435,955	21,226
Sanitation	264,765	224,526	40,239				264,765	224,526	40,239
Culture and recreation	287,772	299,171	(11,399)				287,772	299,171	(11,399)
Education	8,020,000	7,963,098	56,902	548,513	470,174	78,339	8,568,513	8,433,272	135,241
Food service				322,400	313,348	9,052	322,400	313,348	9,052
Capital outlay	440,302	217,774	222,528		214,300	(214,300)	440,302	432,074	8,228
Debt service:									
Principal of debt	1,385,000	1,385,000		8,359	9,585	(1,226)	1,393,359	1,394,585	(1,226)
Interest and fiscal charges	960,175	984,030	(23,855)	3,847	4,365	(518)	964,022	988,395	(24,373)
Intergovernmental	1,285,450	1,285,450					1,285,450	1,285,450	
Total Expenditures	18,896,250	18,479,967	416,283	921,374	1,212,431	(291,057)	19,817,624	19,692,398	125,226
Excess of Revenues over (under) Expenditures	9,157	(284,155)	(293,312)	(38,255)	(154,227)	(115,972)	(29,098)	(438,382)	(409,284)
Other Financing Sources (Uses):									
Proceeds of long-term debt									
Operating transfers in									
Operating transfers out		(38,255)	(38,255)	38,255	86,000	86,000	38,255	86,000	86,000
Total Other Financing Sources (Uses)		(38,255)	(38,255)	38,255	86,000	86,000	38,255	86,000	86,000
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	9,157	(322,410)	(331,567)				9,157	(352,382)	(361,539)
Fund Balances, as restated- July 1, 1996	270,107	270,107		102,174	102,174		372,281	372,281	
Fund Balances (Deficit)- June 30, 1997	\$279,264	(52,303)	(\$331,567)	\$102,174	72,202	(\$29,972)	\$381,438	19,899	(\$361,539)
Reconciliation to GAAP Basis:									
Elimination of encumbrances outstanding at year end		199,206			1,897			201,103	
Fund Balances - June 30, 1997 GAAP Basis		\$146,903			\$74,099			\$221,002	

See notes to financial statements

EXHIBIT D

CITY OF BERLIN, NEW HAMPSHIRE

Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances

All Proprietary Fund Types and Similar Trust Funds

For the Year Ended June 30, 1997

	Proprietary Fund Types				Fiduciary Fund Types	
	Enterprise Funds					
	Sewer Fund	Industrial Development and Park Authority Fund	Courthouse Fund	Cates Hill Landfill Fund	Total	Non-Expendable Trust Funds
Operating Revenues:						Totals (Memorandum Only)
Charges for service	\$1,074,785		\$39,632	\$59,718	\$1,174,135	\$1,174,135
Miscellaneous revenue		\$140,563			140,563	140,563
Investment income						16,274
Total Operating Revenues	1,074,785	140,563	39,632	59,718	1,314,698	1,330,972
Operating Expenses:						
Personal services	370,175		9,037	23,833	403,045	403,045
Maintenance, operations and contractual services	192,216	25,787			218,003	218,003
Materials and supplies	130,758		1,581	997	133,336	133,336
Utilities	114,882		14,737	315	129,934	129,934
Depreciation	690,612	42,107			732,719	732,719
Miscellaneous		5,669	5	1,112	6,786	15,804
Total Operating Expenses	1,498,643	73,563	25,360	26,257	1,623,823	1,632,841
Net Operating Income (Loss)	(423,858)	67,000	14,272	33,461	(309,125)	(301,869)
Non-Operating Revenues (Expenses):						
Interest, net	(328)	(35,778)		19,374	(16,732)	(16,732)
Bequests						2,075
Total Non-Operating Revenues (Expenses)	(328)	(35,778)		19,374	(16,732)	(14,657)
Net Income (Loss)	(424,186)	31,222	14,272	52,835	(325,857)	(316,526)
Add depreciation on plant assets acquired by grants externally restricted for capital acquisitions that reduces contributed capital	528,485				528,485	528,485
Increase in Retained Earnings/Fund Balances	104,299	31,222	14,272	52,835	202,628	211,959
Retained Earnings/Fund Balances - July 1	574,614	443,696	88,294	384,070	1,490,674	1,801,981
Retained Earnings/Fund Balances - June 30	\$678,913	\$474,918	\$102,566	\$436,905	\$1,693,302	\$2,013,940

See notes to financial statements

EXHIBIT E
CITY OF BERLIN, NEW HAMPSHIRE
 Combined Statement of Cash Flows
 All Proprietary Fund Types and Similar Trust Funds
 For the Year Ended June 30, 1997

	Proprietary Fund Types				Fiduciary	
	Enterprise Funds				Fund Types	
	Sewer Fund	Industrial Development and Park Authority Fund	Courthouse Fund	Cates Hill Landfill Fund	Total	Non-Expendable Trust Funds
Cash Flows from Operating Activities:						Totals (Memorandum Only)
Cash received from services	\$1,102,463	\$140,563	\$39,632	\$57,370	\$1,340,028	\$1,340,028
Cash received on trust investments						16,274
Cash paid to suppliers and employees	(822,605)	(25,787)	(25,326)	(27,633)	(901,351)	(9,018)
Net Cash Provided by Operating Activities	279,858	114,776	14,306	29,737	438,677	7,256
						445,933
Cash Flows from Capital and Related Financing Activities:						
Principal paid on note payable		(13,044)			(13,044)	(13,044)
Interest paid on note payable		(35,778)			(35,778)	(35,778)
Proceeds from direct financing lease		35,332			35,332	35,332
Principal paid on advance from other fund	(40,000)				(40,000)	(40,000)
Interest paid on advance from other fund	(16,224)				(16,224)	(16,224)
Bequests						2,075
Net Cash Provided (Used) by Capital and Related Financing Activities	(56,224)	(13,490)			(69,714)	2,075
						(67,639)
Cash Flows from Investing Activities:						
Net (increase) in investment securities						(10,510)
Interest on investments	15,896			19,374	35,270	35,270
Net Cash Provided (Used) by Investing Activities	15,896			19,374	35,270	(10,510)
Net Increase (Decrease) in Cash and Cash Equivalents	239,530	101,286	14,306	49,111	404,233	(1,179)
						403,054
Cash and Cash Equivalents, July 1	914,332	355,717	88,294	385,070	1,743,413	7,726
						1,751,139
Cash and Cash Equivalents, June 30	\$1,153,862	\$457,003	\$102,600	\$434,181	\$2,147,646	\$6,547
						\$2,154,193

See notes to financial statements

EXHIBIT E
CITY OF BERLIN, NEW HAMPSHIRE

Combined Statement of Cash Flows
All Proprietary Fund Types and Similar Trust Funds (Continued)
For the Year Ended June 30, 1997

	Proprietary Fund Types				Fiduciary Fund Types	
	Enterprise Funds					
	Sewer Fund	Industrial Development and Park Authority Fund	Courthouse Fund	Cates Hill Landfill Fund	Total	Non-Expendable Trust Funds
Reconciliation of Net Operating Income (Loss) to Net Cash Provided by Operating Activities:						Totals (Memorandum Only)
Net Operating Income (Loss)	(\$423,858)	\$67,000	\$14,272	\$33,461	(\$309,125)	\$7,256 (\$301,869)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by Operating Activities:						
Depreciation	690,612	42,107			732,719	732,719
Loss on direct financing lease		5,669			5,669	5,669
Change in assets and liabilities:						
(Increase) decrease in accounts receivable	27,428			(2,348)	25,080	25,080
Decrease in inventory	4,159				4,159	4,159
Increase (decrease) in accounts payable	(12,264)		34	(1,376)	(13,606)	(13,606)
(Decrease) in accrued liabilities	(6,469)				(6,469)	(6,469)
Increase in deferred revenue	250				250	250
Net Cash Provided by Operating Activities	\$279,858	\$114,776	\$14,306	\$29,737	\$438,677	\$7,256 \$445,933
Noncash Transactions Affecting Financial Position:						
Amortization of contributions in aid	\$528,485	\$5,669			\$528,485	\$528,485
Loss on direct financing lease	\$528,485	\$5,669			5,669	5,669
					\$534,154	\$534,154

See notes to financial statements

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
June 30, 1997

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Berlin, New Hampshire conform to generally accepted accounting principles for local governmental units, except as indicated hereinafter. The following is a summary of significant accounting policies:

Financial Reporting Entity

The City of Berlin, New Hampshire (the "City") was incorporated in 1829. The City operates under the City Council/City Mayor form of government and performs local governmental functions authorized by State law.

The accompanying financial statements of the City present the financial position of the various fund types and account groups, the results of operations of the various fund types, and the cash flows of the proprietary fund types and similar trust funds types.

The financial statements include those of the various departments governed by the City Council and other officials with financial responsibility. The City has no organizational units which meet criteria for inclusion in the financial statements as defined by the Governmental Accounting Standards Board, except for the Berlin Water Works and Public Works Pension Trust (component units of the City). The Berlin Water Works and Public Works Pension Trust have a fiscal year ended December 31 and are audited and reported separately from other City funds. These two component units should be included as part of the reporting entity in accordance with generally accepted accounting standards, but City officials have decided not to include them due to the different fiscal years of the entities.

Fund Accounting

The accounts of the City are organized on the basis of funds and account groups, each of which is a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/retained earnings, revenues, and expenditures/expenses. The various funds are summarized by type in the financial statements.

Individual funds and account groups summarized in the financial statements are classified as follows:

Governmental Funds

General Fund - used to account for all revenues and expenditures which are not accounted for in other funds or account groups.

Special Revenue Funds - used to account for specific restricted revenues and expenditures for various purposes. The following funds have been accounted for as Special Revenue Funds:

Community Development Fund
Food Service Fund
Airport Authority Fund
Recreation and Parks Programs Fund

Federal Projects Fund
Health Department Fund
Carberry Fund

CITY OF BERLIN, NEW HAMPSHIRE

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

June 30, 1997

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Projects Funds - used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment. The City accounts for the following construction projects in its Capital Projects Funds.

Wastewater Treatment Fund	East Milan Landfill Fund
Cascade Bridge Fund	1993 Water Works Bond Fund
1994 Water Works/Fire Truck Bond Fund	1995 Water Works Bond
1997 School Bond Fund	
City and School Capital Improvements Fund	

Proprietary Fund Types

Proprietary Funds are used to account for the City's ongoing activities, which are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position and cash flows.

Enterprise Funds - These funds account for the operations of the City's Sewer Fund, Industrial Development and Park Authority Fund, Courthouse Fund and Cates Hill Landfill Fund, which provide service on a user charge basis.

Fiduciary Funds

Assets held by the City in a fiduciary capacity or as an agent for individuals, private organizations, and other governmental units, and/or other funds for various purposes. Receipts and expenditures of each fund are governed by statutes, local law, or the terms of the gift.

Trust Funds - Expendable trust funds (Home Nursing Trust Fund and Scholarship Fund) are accounted for in essentially the same manner as governmental funds. The non-expendable funds are accounted for and reported as proprietary funds since capital maintenance is critical.

Agency Funds - Agency funds are used to account for assets held by the City in a fiduciary capacity for various student groups.

Account Groups

Account groups are not funds; they do not reflect available financial resources and related liabilities, but are accounting records of general fixed assets and general long-term obligations, respectively. The following is a description of the account groups of the City.

General Fixed Asset Account Group - The City does not record the acquisition of fixed assets in the General Fixed Asset Account Group, as required by generally accepted accounting principles. Fixed assets acquired or constructed for general government services are recorded as expenditures in the fund making the expenditure. Funds used to acquire general fixed assets and/or debt service payments on borrowings in connection therewith are accounted for as expenditures in the year payments are made.

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
June 30, 1997

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

General Long-Term Debt Account Group - used to record the outstanding long-term obligations of the City.

Basis of Accounting

The accrual basis is used for all proprietary fund types and non-expendable trust funds. The measurement focus of these funds is determination of net income, financial position and cash flows ("capital maintenance" focus). The City has elected not to follow the FASB pronouncements issued subsequent to November 30, 1989 in accounting and reporting for its proprietary operations.

Governmental funds utilize the modified accrual basis whereby revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than interest on long-term debt, are recorded when the liability is incurred, if measurable.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City, therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Licenses and permits, charges for services, and miscellaneous revenues (except investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are measurable and available. (See *Property Taxes* for property tax accrual policies.)

During the course of normal operations, the City has transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying governmental funds and enterprise funds financial statements reflect such transactions as transfers. Non-expendable trust funds report these transactions as revenues and expenses.

Total Columns on Combined Financial Statements

Total columns on the combined financial statements are captioned "Memorandum Only" to indicate that they are intended to facilitate financial analysis. Interfund eliminations have not been made at arriving at the data and it is not intended to present financial position, results of operations or cash flows in accordance with generally accepted accounting principles.

CITY OF BERLIN, NEW HAMPSHIRE**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**

June 30, 1997

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***Budgetary Data***

The budget represents departmental appropriations as authorized by City Council. The City Council may transfer funds between operating categories as they deem necessary. The City adopts its budget under regulations of the New Hampshire Department of Revenue Administration which differ somewhat from generally accepted accounting principles in that the focus is on the entire governmental unit rather than on the basis of fund types. Special revenue fund budgets are adopted only to the extent they interact with the general fund. Budgets for capital projects funds are adopted in the year the project is authorized and may extend over multiple accounting periods. Following is a reconciliation between the budget as presented for reporting purposes and the adopted budget.

Total Appropriations at June, 1996		
City Council Meeting		\$22,879,701
Supplemental Appropriations		913,479
Budgeted abatements netted with property tax revenues		(1,997,565)
Perspective Differences:		
Enterprise Funds		(1,674,826)
Timing Differences:		
Continued Appropriations - June 30, 1996		335,899
Continued Appropriations - June 30, 1997		(639,064)
General Fund	\$18,896,250	
Special Revenue Funds	921,374	
Total Budget - Report Basis		<u>\$19,817,624</u>

State law requires balanced budgets but permits the use of beginning budgetary basis fund balance to reduce the property tax rate. For the year ended June 30, 1997, the City applied \$289,008 of its unappropriated fund balance to reduce taxes.

Reconciliation of Exhibit B to Exhibit C**General Fund**

Amounts recorded as budgetary amounts in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis) - General and Special Revenue Funds (Exhibit C) are reported on the basis budgeted by the City. General fund budgetary expenditures were adjusted for encumbrances and on behalf payments for fringe benefits (see Note 6) as follows:

	<u>Revenues and Transfers</u>	<u>Expenditures and Transfers</u>
Exhibit B	\$18,277,431	\$18,533,155
Encumbrances, June 30, 1996		(132,520)
Encumbrances, June 30, 1997		199,206
On behalf fringe benefits	(81,619)	(81,619)
Exhibit C	<u>\$18,195,812</u>	<u>\$18,518,222</u>

CITY OF BERLIN, NEW HAMPSHIRE

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

June 30, 1997

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Special Revenue Funds

Generally accepted accounting principles require full budgetary presentation for all funds for which annual budgets are adopted. Under State regulation budgets for Special Revenue Funds are adopted only to the extent they interact with the General Fund. The accompanying financial statements therefore present only partial budgetary activity for the Special Revenue Funds. Consequently, Special Revenue Funds shown on the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis) - General and Special Revenue Funds (Exhibit C) are reported on a budgetary basis which differs from the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental and Similar Trust Fund Types (Exhibit B), which is reported in accordance with generally accepted accounting principles, as follows:

	<u>Exhibit B</u>	<u>Current Year</u> <u>Encumbrances</u>	Non- budgeted <u>Activity</u>	<u>Exhibit C</u>
Revenues	\$1,708,779		\$650,575	\$1,058,204
Expenditures	1,874,597	\$1,897	664,063	1,212,431
Excess of Revenues (Under) Expenditures	(165,818)	(1,897)	(13,488)	(154,227)
Other Financing Sources:				
Proceeds of long-term debt	86,000			86,000
Operating Transfers In	38,255			38,255
Total Other Financing Sources	124,255			124,255
Excess of Revenues and Other Sources (Under) Expenditures	(41,563)	(1,897)	(13,488)	(29,972)
Fund Balance (Deficit) - July 1, 1996	78,870		(23,304)	102,174
Fund Balance (Deficit) - June 30, 1997	<u>\$37,307</u>	<u>(\$1,897)</u>	<u>(\$36,792)</u>	<u>\$72,202</u>

Encumbrances

Encumbrance accounting, under which purchase orders and other commitments for the expenditure of monies are recorded in order to reserve a portion of the applicable appropriation, is employed as an extension of formal budgetary integration in Governmental Funds. Encumbrances outstanding at year end are reported as a component of fund balance since they do not constitute expenditures or liabilities and are detailed by fund type and function as follows:

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Funds</u>
General government	\$378	
Public safety	950	
Highways and streets	5,100	
Health and welfare	1,482	
Education	188,996	\$1,897
Capital outlay	2,300	
	<u>\$199,206</u>	<u>\$1,897</u>

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
June 30, 1997

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Fund Equity

Cash and cash equivalents - The City pools its cash resources for the governmental and proprietary funds. Cash applicable to a particular fund is reflected as an interfund balance. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of the following:

	<u>Cash</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>	<u>Totals</u>
Enterprise Funds:				
Sewer Fund		\$1,172,569	(\$18,707)	\$1,153,862
Industrial Development and Park Authority Fund		457,003		457,003
Courthouse Fund		102,600		102,600
Cates Hill Landfill Fund		434,181		434,181
		<u>2,166,353</u>	<u>(18,707)</u>	<u>2,147,646</u>
Non-expendable trust funds	\$6,547			6,547
	<u>\$6,547</u>	<u>\$2,166,353</u>	<u>(\$18,707)</u>	<u>\$2,154,193</u>

Investments - Investments are stated at cost in all funds. Certificates of deposit and repurchase agreements with a maturity of greater than ninety days from the date of issuance are included in investments.

Taxes Receivable - Taxes levied during the current fiscal year and prior and uncollected at June 30, 1997 are recorded as receivables net of reserves for estimated uncollectibles of \$3,697,377.

Prepaid expenses - Payments made to vendors for services that will benefit periods beyond June 30, 1997 are recorded as prepaid items.

Inventory - The City accounts for inventories under the consumption method on a first-in, first-out basis. Inventories are recorded at cost.

Property, Plant and Equipment - Property, plant and equipment are valued at cost. The City uses the straight line method for charging depreciation in the Enterprise Funds. The following are the estimated useful lives used in determining the annual charge for depreciation.

	<u>Years</u>
Sewer Fund:	
Sewer System	50
Vehicles and equipment	3-10
Industrial Development and Park Authority Fund:	
Plant and equipment	30

The City capitalizes interest costs during a project's construction period.

CITY OF BERLIN, NEW HAMPSHIRE

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

June 30, 1997

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Revenue - Deferred revenue consists of measurable but unavailable amounts including property taxes, grant revenues, and amounts collected in advance to be recognized in future periods.

Due to Other Governments - At June 30, 1997, \$501,027 was due to the Coos County for the county tax appropriation and accrued interest.

Accrued Vacation and Sick Leave - Employees earn vacation and sick leave as they provide services. Provision is made in the annual budget for vacation and sick leave. Pursuant to City personnel policy and collective bargaining agreements, employees may accumulate (subject to certain limitations) unused sick pay earned and, upon retirement, resignation or death may be compensated for such amounts at current rates of pay. The total estimated value of accumulated compensated absences at June 30, 1997 is \$1,801,575 and has been recorded in the General Long-Term Debt Account Group. The current portion, if any, is not material to these financial statements.

Contributed Capital - Federal and State grants for the purpose of constructing enterprise fund assets are recorded as contributions to equity.

Revenues, Expenditures and Expenses

Property Taxes - Taxes are levied on the assessed value of all taxable real property as of the prior April 1 (\$449,935,350 as of April 1, 1996) and are due in two installments on July 1 and December 1. Taxes paid after the due dates accrue interest at 12% per annum. Property taxes are recognized as revenue when received in cash or if available to finance current period operations (within sixty days of year end).

Under State law, the Tax Collector obtains tax liens on properties which have unpaid taxes in the following calendar year after taxes were due for the amount of unpaid taxes, interest and costs. These priority tax liens accrue interest at 18% per annum. If the property is not redeemed within a two year redemption period, the property is tax deeded to the City.

Property Taxes Collected for Other Governments - In accordance with State law, the City collects taxes for Coos County, an independent governmental unit, which are remitted to the County as required by law. Taxes appropriated and remitted to Coos County during the year were \$1,285,450. The City bears responsibility for uncollected taxes.

NOTE 2--STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balance

Special revenue funds - At June 30, 1997, the Community Development Fund was in a deficit financial position in the amount of \$58,448. The City's management intends to rectify the condition by transferring funds from the General Fund to offset the deficit.

Capital projects funds - At June 30, 1997, the following capital projects funds were in a deficit financial position:

CITY OF BERLIN, NEW HAMPSHIRE

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

June 30, 1997

NOTE 2--STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

	<u>Amount</u>
Wastewater Treatment Fund	\$35,760
Cascade Bridge Fund	7,524
1994 Water Works/Fire Truck Bond Fund	108,556
1997 School Bond Fund	261,039
	<u>\$412,879</u>

The deficits in the various capital projects funds are the result of a temporary timing difference in expenditure and revenue recognition. The City intends to either authorize and issue long-term debt or transfer funds from the General Fund to offset the deficit position.

NOTE 3--RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 1997, the City was a member of the New Hampshire Worker's Compensation Fund. The City currently reports all of its risk management activities in its General Fund. The Trust is classified as a "Risk Pool" in accordance with generally accepted accounting principles.

The Compensation Fund was organized to provide statutory worker's compensation coverage to member towns, cities, and other qualified political subdivisions of New Hampshire. The Trust is self-sustaining through annual member premiums and provides coverage for the statutorily required workers' compensation benefits and employer's liability coverage up to \$1,000,000. The program includes a Loss Fund from which is paid up to \$375,000 for each and every covered claim.

The Trust agreement permits the Trust to make additional assessments to members should there be a deficiency in Trust assets to meet its liabilities. Generally accepted accounting principles require members of pools with a sharing of risk to determine whether or not such assessment is probable and, if so, a reasonable estimate of such assessment. At this time, the Trust foresees no likelihood of an additional assessment for any of the past years.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Based on the best available information there is no liability at June 30, 1997.

NOTE 4--CASH AND INVESTMENTS

The City has combined the cash resources of its governmental and proprietary fund types. For accounting and reporting purposes, that portion of the pooled cash balance is reported in the specific fund as an interfund balance.

The City's investment policy for governmental fund types requires that deposits and investments be made in New Hampshire based financial institutions that are participants in federal depository insurance programs. Deposits are limited to demand deposits, money market accounts, certificates

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
June 30, 1997

NOTE 4--CASH AND INVESTMENTS (CONTINUED)

of deposit and repurchase agreements in accordance with New Hampshire State law (RSA 41:29) or the New Hampshire Public Deposit Investment Pool (NHPDIP). Responsibility for the investments of the Trust Funds is with the Board of Trustees. Investments of the Student Activities Agency Funds are at the discretion of the School Principals.

At year end, the carrying amount of all the City's cash deposits, including Restricted Assets - Cash, was \$2,909,144 and the bank balance was \$2,910,994. Of the bank balance \$2,905,387 was covered by federal depository insurance or collateralized and \$5,607 was uninsured and uncollateralized.

The City's investments are categorized to provide an indication of the level of risk assumed by the City of Berlin. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 included uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the City's name. Category 3 includes uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the City's name.

	Category			Carrying Amount	Market Value
	1	2	3		
Repurchase agreements			\$4,800,846	\$4,800,846	\$4,800,846
Certificates of deposit	\$212,008			212,008	212,008
	<u>\$212,008</u>	<u></u>	<u>\$4,800,846</u>	<u>5,012,854</u>	<u>5,012,854</u>
Investments in New Hampshire Public Deposit Investment Pool (NHPDIP)				2,915,327	2,915,327
Total Investments				<u>\$7,928,181</u>	<u>\$7,928,181</u>

Investments in the NHPDIP are not investment securities and, as such, are not categorized by risk.

NOTE 5--PROPERTY, PLANT AND EQUIPMENT - PROPRIETARY FUNDS

The following is a summary of changes in the Proprietary Fund property, plant and equipment for the year ended June 30, 1997:

	Balance <u>7/1/96</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>6/30/97</u>
<u>Sewer Fund</u>				
Land	\$22,663			\$22,663
Buildings and improvements	32,488,452			32,488,452
Vehicles and equipment	385,716			385,716
	<u>32,896,831</u>	<u></u>	<u></u>	<u>32,896,831</u>
Less: Accumulated depreciation	(9,837,966)	(\$690,612)		(10,528,578)
	<u>\$23,058,865</u>	<u>(\$690,612)</u>	<u>\$0</u>	<u>\$22,368,253</u>

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
June 30, 1997

NOTE 5--PROPERTY, PLANT AND EQUIPMENT - PROPRIETARY FUNDS (CONTINUED)

	Balance 7/1/96	Additions	Reductions	Balance 6/30/97
<u>Industrial Development and Park Authority Fund</u>				
Land	\$219,794			\$219,794
Buildings and improvements	1,263,089			1,263,089
	1,482,883			1,482,883
Less: Accumulated depreciation	(432,000)	(\$42,107)		(474,107)
	<u>\$1,050,883</u>	<u>(\$42,107)</u>	<u>\$0</u>	<u>\$1,008,776</u>
<u>Totals</u>				
Land	\$242,457			\$242,457
Buildings and improvements	33,751,541			33,751,541
Machinery and equipment	385,716			385,716
	34,379,714			34,379,714
Less: Accumulated depreciation	(10,269,966)	(\$732,719)		(11,002,685)
	<u>\$24,109,748</u>	<u>(\$732,719)</u>	<u>\$0</u>	<u>\$23,377,029</u>

NOTE 6--DEFINED BENEFIT PENSION PLAN

Plan Description

The City contributes to the New Hampshire Retirement System (NHRS), a cost-sharing multiple-employer defined benefit pension plan administered by the NHRS Board of Trustees. The plan provides service, disability, death and vested retirement allowances to plan members and beneficiaries. Benefit provisions are established and may be amended by the New Hampshire State legislature. The NHRS issues a publicly available financial report that includes financial statements and required supplementary information for NHRS. That report may be obtained by writing to New Hampshire Retirement System, 4 Chenell Drive, Concord, New Hampshire 03301.

Funding Policy

Covered public safety employees are required to contribute 9.3% of their covered salary, whereas teachers and general employees are required to contribute 5.0% of their covered salary. The City is required to contribute at an actuarially determined rate. The City's contribution rates for the covered payroll of police officers, fire employees, teachers, and general employees were 2.73%, 5.12%, 2.43%, and 3.39%, respectively. The City contributes 65% of the employer cost for police officers, fire employees, and teachers, and the State of New Hampshire contributes the remaining 35% of the employer cost. The City contributes 100% of the employer cost for general employees. In accordance with generally accepted accounting principles (GASB #24), on behalf fringe benefits contributed by the State of New Hampshire of \$81,619 have been reported as a revenue and expenditure of the General Fund in these financial statements.

Under State law (RSA-100:16), plan member contribution rates are established and may be amended by the New Hampshire State legislature and employer contribution rates are determined by the

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
June 30, 1997

NOTE 6--DEFINED BENEFIT PENSION PLAN (CONTINUED)

NHRS Board of Trustees based on an actuarial valuation. The City's contributions to the NHRS for the years ending June 30, 1997, 1996, and 1995 were \$228,126, \$271,901, and \$244,880, respectively, equal to the required contributions for each year.

NOTE 7--GENERAL DEBT OBLIGATIONS

Changes in Long-term Debt - The changes in long-term obligations for the year ended June 30, 1997 are as follows:

	Balance <u>7/1/96</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>6/30/97</u>
General obligation debt	\$4,586,775	\$86,000	\$789,585	\$3,883,190
Other obligations	163,610	970,367		1,133,977
Compensated absences	1,563,323	238,252		1,801,575
Landfill closure and postclosure care costs	1,056,165	18,065		1,074,230
Total	<u>\$7,369,873</u>	<u>\$1,312,684</u>	<u>\$789,585</u>	<u>\$7,892,972</u>

The financial statements as of June 30, 1996 did not include other obligations of \$163,610 in the General Long-Term Debt Account Group. The amount received under the State Water Pollution Revolving Loan Fund was previously recorded as an intergovernmental revenue, which is not in accordance with generally accepted accounting principles. The above balances as of July 1, 1996 have been adjusted to properly reflect this long-term obligation.

General Long-term Obligations

General Obligation Debt - payable at June 30, 1997 is comprised of the following individual issues:

\$3,200,000 State Guaranteed Sewer Construction Bonds due in annual installments of \$95,000 - \$300,000 through July, 2004; interest at 8.214%	\$1,735,000
\$4,540,000 State Guaranteed Sewer Construction Bonds due in annual installments of \$225,000 through May, 1998; interest at 5.2%	225,000
\$1,200,000 State Guaranteed Sewer Construction Bonds due in annual installments of \$80,000 through July, 2002; interest at 5.4% - 8.1%	480,000
\$435,000 State Guaranteed Water Construction Bonds due in annual installments of \$30,000 through June, 2002; interest at 5.65% - 7.6%	165,000
\$1,450,000 State Guaranteed Sewer Construction Bonds due in annual installments of \$95,000 through January, 2003; interest at 5.75% - 7.75%	570,000

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
June 30, 1997

NOTE 7--GENERAL DEBT OBLIGATIONS (CONTINUED)

\$1,150,000 School Improvement Bonds due in annual installments of \$115,000 through January, 1999; interest at 7.5%	230,000
\$450,000 Fire Truck Bonds due in annual installments of \$45,000 through August, 2004; interest at 4.7% - 7.0%	360,000
\$69,275 Asbestos Grant Loan due in annual installments of \$5,000 through 2005 and \$1,775 in 2006	41,775
\$43,000 Airport Authority Notes due in monthly installments of \$872 including interest at 8.0% through November, 2001	38,208
\$43,000 Airport Authority Notes due in monthly installments of \$872, including interest at 8.0%, through November, 2002	38,207
	<u>\$3,883,190</u>

Other Obligations - The City has drawn \$1,133,977 in funds borrowed from the State of New Hampshire, State Water Pollution Control Revolving Loan Fund Program for the East Milan landfill closure project. Payments are not scheduled to commence until the first anniversary of the scheduled completion of the project. The scheduled completion date is during the year ended June 30, 1998.

Summary of Debt Service Requirements to Maturity

The annual requirements to amortize all outstanding long-term obligations as of June 30, 1997 are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1998	\$810,367	\$282,837	\$1,093,204
1999	601,643	225,370	827,013
2000	503,024	175,463	678,487
2001	514,520	134,116	648,636
2002	521,861	92,588	614,449
2003-2006	931,775	58,483	990,258
	<u>\$3,883,190</u>	<u>\$968,857</u>	<u>\$4,852,047</u>

The State of New Hampshire annually reimburses the City for its share of Sewer related debt service payments. For the year ended June 30, 1997, the reimbursement was \$340,762.

Under state law, the City is required to issue general obligation debt for the Berlin Water Works (a component unit of the City). Accordingly, this general obligation debt is recognized as a liability of the Berlin Water Works and is not recorded in the general long-term debt account group. The Commissioners of the Berlin Water Works have agreed to reimburse the City for the annual principal and interest payments on this debt. For the year ended June 30, 1997, the reimbursement was \$1,227,629, which consists of \$605,000 in principal and \$622,629 in interest.

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
June 30, 1997

NOTE 7--GENERAL DEBT OBLIGATIONS (CONTINUED)

Authorized and Unissued Debt

The following debt was authorized and unissued as of June 30, 1997:

1997 School improvements	<u>\$6,000,000</u>
--------------------------	--------------------

NOTE 8--NOTES PAYABLE

The Berlin Industrial Development and Park Authority Fund is directly liable for several notes payable. The proceeds of the notes were used to construct buildings and improvements at the Industrial Park. Following is a summary of changes in notes payable for the year ended June 30, 1997:

Notes payable - July 1, 1996	\$419,938
Obligations retired	<u>(13,044)</u>
Notes payable - June 30, 1997	<u>\$406,894</u>

Notes payable at June 30, 1997 are comprised of the following issues:

\$290,000 Note payable to Citizens Bank secured by land and building due in monthly installments of \$2,470, including interest at 1.5% over the prime rate adjusted annually through January, 2019	\$267,084
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------

\$206,107 Note payable to Berlin Economic Development Council, Inc. secured by land and building due in monthly installments of \$1,500, including interest at 6.0%, through October, 2007.	139,810
	<u>\$406,894</u>

The annual requirements to amortize the notes payable as of June 30, 1997 are as follows:

Year Ending June 30,	Principal	Interest	Total
1998	\$13,648	\$33,995	\$47,643
1999	14,641	33,002	47,643
2000	15,712	31,931	47,643
2001	16,865	30,778	47,643
2002	18,109	29,534	47,643
2003-2007	112,903	125,312	238,215
2008-2012	69,530	87,380	156,910
2013-2017	99,096	49,119	148,215
2018-2019	46,390	4,153	50,543
	<u>\$406,894</u>	<u>\$425,204</u>	<u>\$832,098</u>

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
June 30, 1997

NOTE 9--BOND ANTICIPATION NOTE PAYABLE

During May, 1997, the City issued a \$5,000,000 bond anticipation note with a maturity date of December 30, 1997. The interest rate is as follows: \$2,500,000 at 4.09% and \$2,500,000 at 4.21%.

NOTE 10--LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and federal laws and regulations require that the City place a final cover on its two landfills when closed and perform certain maintenance and monitoring functions at the landfill sites for thirty years after closure. An estimated liability has been recorded in the general long-term debt account group based on the future closure and postclosure care costs that will be incurred near or after the date the landfills no longer accept waste. These landfill closure and postclosure care costs are based on the amount of the landfills used. The estimated liability for landfill closure and postclosure care costs has a balance of \$1,074,230 as of June 30, 1997, which is based on 100% usage of the East Milan landfill and 95% usage of the Cates Hill landfill. It is estimated that an additional \$39,924 will be recorded as closure and postclosure care costs between June 30, 1997 and the date the Cates Hill landfill is expected to be filled to capacity (fiscal year 2000). The estimated total current cost of the landfill closure and postclosure care of \$1,114,154 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor and maintain the landfills were acquired as of June 30, 1997. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The closure costs of the East Milan landfill were financed through the issuance of debt under the State of New Hampshire, State Water Pollution Control Revolving Fund Program. The remaining closure and postclosure care costs are expected to be financed from the motor vehicle surcharge collected in the Cates Hill Landfill Enterprise Fund. The City has also entered into an intermunicipal agreement with surrounding communities for the reimbursement of their share of the landfill closure and postclosure costs.

NOTE 11--DEFERRED REVENUE

General Fund - The City has recorded deferred property and resident tax revenues as follows:

Semi-annual tax warrant due July 1, 1997	\$7,017,041
Resident taxes due July 1, 1997	59,750
Taxes levied and not received within 60 day recognition period	2,802,426
Other advance collections	624,704
	<u>\$10,503,921</u>

Special Revenue Funds - Deferred revenue in the Special Revenue Funds at June 30, 1997 consists of deferred grant revenue of \$979 received in the Community Development Fund.

Enterprise Funds - Deferred revenue in the Enterprise Funds at June 30, 1997 consists of revenues collected in advance of \$107,421 in the Sewer Fund and recognizable in future periods.

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
June 30, 1997

NOTE 12--INTERFUND BALANCES

Interfund receivables/payables at June 30, 1997 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$6,309,142	\$9,561,365
Special Revenue Funds:		
Community Development Fund		57,469
Federal Projects Fund		46,009
Food Service Fund		21,877
Health Department Fund		39,697
Airport Authority Fund	3,255	
Carberry Fund	6,564	
Recreation and Parks Programs Fund	16,036	
Capital Projects Funds:		
Wastewater Treatment Fund		315,760
East Milan Landfill Fund	78,153	
City and School Capital Improvements Fund	10,598	
Cascade Bridge Fund		14,920
1993 Water Works Bond Fund	40,295	
1994 Water Works/Fire Truck Bond Fund	43,205	
1995 Water Works Bond Fund	1,404,674	
1997 School Bond Fund	7,282	
Enterprise Funds:		
Sewer Fund	1,172,569	18,707
Industrial Development and Park Authority Fund	457,003	
Courthouse Fund	102,600	
Cates Hill Landfill Fund	434,181	
Trust and Agency Funds:		
Home Nursing Trust Fund		10,453
Scholarship Fund		500
Student Activities Agency Funds	1,200	
Total	<u>\$10,086,757</u>	<u>\$10,086,757</u>

NOTE 13--ADVANCE TO/FROM OTHER FUND

At June 30, 1997, \$280,000 was due to the Wastewater Treatment Capital Projects Fund from the Sewer Enterprise Fund. The Sewer Enterprise Fund makes annual principal payments of \$40,000 and interest.

NOTE 14--CONTRIBUTED CAPITAL - PROPRIETARY FUNDS

Changes in the contributed capital accounts in the Sewer Fund and the Industrial Development and Park Authority Fund are summarized as follows:

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
June 30, 1997

NOTE 14--CONTRIBUTED CAPITAL - PROPRIETARY FUNDS (CONTINUED)

	Balance <u>7/1/96</u>	<u>Contributions</u>	<u>Amortization</u>	Balance <u>6/30/97</u>
Sewer Fund	\$23,117,507		(\$528,485)	\$22,589,022
Industrial Development and Park Authority Fund	560,167			560,167
Total	<u>\$23,677,674</u>	<u>\$0</u>	<u>(\$528,485)</u>	<u>\$23,149,189</u>

NOTE 15--NON-EXPENDABLE TRUST FUNDS

The principal amounts of all non-expendable trust funds are restricted in that only income earned may be expended. Principal and income balances at June 30, 1997 are as follows:

	<u>Principal</u>	<u>Income</u>	<u>Total</u>
Cemetery Funds	<u>\$127,278</u>	<u>\$193,360</u>	<u>\$320,638</u>

NOTE 16--UNRESERVED DESIGNATED FUND BALANCES

General Fund

Appropriations for certain projects and specific items not fully expended at year end are carried forward as continuing appropriations to the next year in which they supplement the appropriations of that year. Following are continuing appropriations at June 30, 1997:

General government	\$25,243
Public safety	12,443
Highways and streets	3,059
Sanitation	8,705
Culture and recreation	3,030
Education	45,000
Capital outlay	416,584
Debt service	125,000
	<u>\$639,064</u>

Special Revenue Funds

Federal Projects Fund	\$4,135
Food Service Fund	12,373
Health Department Fund	303
Airport Authority Fund	55,694
Carberry Fund	5,317
Recreation and Parks Programs Fund	16,036
	<u>\$93,858</u>

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
June 30, 1997

NOTE 16--UNRESERVED DESIGNATED FUND BALANCES (CONTINUED)

Capital Projects Funds

East Milan Landfill Fund	\$82,799
City and School Capital Improvements Fund	10,598
1993 Water Works Bond Fund	23,918
1995 Water Works Bond Fund	1,403,593
	<u>\$1,520,908</u>

Expendable Trust Funds

Home Nursing Trust Fund	\$89,594
Scholarship Fund	20,787
	<u>\$110,381</u>

NOTE 17--NET WORKING CAPITAL

The net working capital for the individual enterprise funds as of June 30, 1997 is as follows:

Sewer Fund	\$1,139,682
Industrial Development and Park Authority Fund	419,555
Courthouse Fund	102,566
Cates Hill Landfill Fund	436,905
	<u>\$2,098,708</u>

NOTE 18--TOP TAXPAYERS

The following are the five major property owners as they relate to the 1996 assessed property valuation of \$449,935,350:

<u>Taxpayer</u>	<u>1996 Property Valuation</u>	<u>Percentage of Total Valuation</u>
Crown Paper Co.	\$127,833,400	28.41%
Public Service of New Hampshire	36,635,100	8.14%
Crown Paper Co. - NH Electric	34,620,100	7.69%
Individual taxpayer	3,340,700	.74%
Berlin City Bank	2,467,800	.55%

CITY OF BERLIN, NEW HAMPSHIRE
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
June 30, 1997

NOTE 19--CONTINGENCIES LIABILITIES

Litigation

There are various claims and suits pending against the City which are out of the normal course of activities. In the opinion of legal counsel and management, any potential claims against the City which are not covered by insurance would not have a material effect on the City's financial position. Certain tax assessments are the subject of appeal to the New Hampshire Board of Land and Tax Appeals. In the event that the City's assessment was not upheld the amounts would be charged to operations in the year the decision is rendered.

Other Contingencies

The City participates in a number of federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City expects amounts, if any, to be immaterial.

NOTE 20--RESTATEMENT OF FUND BALANCE

During the year ended June 30, 1996, the unexpended balance of the City and School Capital Improvements Capital Projects Fund was incorrectly transferred to the General Fund. Fund balance of the General Fund and the Capital Projects Funds as of July 1, 1996 have been restated as follows:

	<u>General Fund</u>	<u>Capital Projects Funds</u>
Fund Balance - July 1, 1996 (as previously reported)	\$413,225	\$2,223,319
Amount of restatement due to transfer of unexpended funds	(10,598)	10,598
Fund Balance, as restated - July 1, 1996	<u>\$402,627</u>	<u>\$2,233,917</u>

NOTE 21--RECLASSIFICATION OF CASH AND CASH EQUIVALENTS

For purposes of the Statement of Cash Flows, cash and cash equivalents in the prior year's financial statements have been reclassified to conform to the current year's presentation.

MAYORS OF THE CITY OF BERLIN

The Honorable...

Henry F. Marston	1897-1899	George E. Bell	1946-1947
John B. Noyes	1899-1900	Paul A. Toussaint	1947-1950
Frank L. Wilson	1900-1901	Aime Tondreau	1950-1957
Fred M. Clement	1901-1902	Guy Fortier	1957-1958
John B. Gilbert	1902-1905	Laurier A. Lamontagne	1958-1962
George E. Hutchins	1905-1908	Edward L. Schuette	1962-1965
Fremont D. Bartlett	1908-1910	Dennis Kilbride	1965-1966
Daniel J. Daley	1910-1915	Norman J. Tremaine	1966-1968
George F. Rich	1915-1919	Earl F. Gage	1968-1970
Eli J. King	1919-1924	Norman J. Tremaine	1970-1972
J.A. Vaillancourt	1924-1926	Sylvio J. Croteau	1972-1976
Eli J. King	1926-1928	Laurier A. Lamontagne	1976-1978
Edward R. B. McGee	1928-1931	Leo G. Ouellet	1978-1982
W.E. Corbin	1931-1932	Joseph J. Ottolini	1982-1986
O.J. Coulombe	1932-1934	Roland W. Couture	1987-1990*
Daniel J. Feindel	1934-1935	Willard Dube	1990-1990
Arthur J. Bergeron	1935-1938	Leo G. Ouellet	1990-1994
Matthew J. Ryan	1938-1939	Yvonne Coulombe	1994-1996
Aime Tondreau	1939-1943	Richard P. Bosa	1996-1998
Carl E. Morin	1943-1946		

* Change in election year and change in date oath of office is taken, as of October 5, 1987.



CITY MANAGERS OF THE CITY OF BERLIN

Stanley Judkins	1962-1966
Joseph Burke	1970-1973
James C. Smith	1973-1978
Michael L. Donovan	1978-1983
Mitchell A. Berkowitz	1983-

*State of New Hampshire
By Her Excellency
Jeanne Shaheen, Governor*

A Proclamation

CITY OF BERLIN

CENTENNIAL CELEBRATION

FEBRUARY 2, 1997

WHEREAS, the town of Maynesboro became the Town of Berlin in 1829; and

WHEREAS, the citizens of the Town of Berlin continued to prosper and their town continued to grow, and as a result they sought to be designated as the City of Berlin; and

WHEREAS, the citizens of Berlin authorized their Town Selectmen to seek the help of the New Hampshire State Legislature; and

WHEREAS, the State Legislature convened and approved the change so that Berlin could become a City; and

WHEREAS, Governor George A. Ramsdell met before the Legislature to sign the official State action on February 2, 1897;

NOW, THEREFORE, I, JEANNE SHAHEEN, GOVERNOR of the State of New Hampshire, do hereby proclaim FEBRUARY 2, 1997 as the official beginning of the Berlin Centennial Celebration. I encourage all residents of Berlin and the North Country to actively join the celebration and further encourage citizens of the City to come forward to lead in commemorative activities and efforts throughout this Centennial year. .



Given at the Executive chamber in Concord, this first day of February, in the year of Our Lord, one thousand, nine hundred and ninety-seven, and of the independence of the United States of America, two hundred and twenty one.

Jeanne Shaheen
GOVERNOR OF NEW HAMPSHIRE



